

VILLAGE OF BISCAYNE PARK, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2015



VILLAGE OF BISCAYNE PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

PREPARED BY
FINANCE DEPARTMENT

**VILLAGE OF BISCAYNE PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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INTRODUCTORY SECTION



The Village of Biscayne Park

640 NE 114th St., Biscayne Park, FL 33161

Telephone: 305-899-8000 Facsimile: 305 891 7241

Tracy Truppan
Mayor

Commissioners
Harvey Bilt
Roxanna Ross
Jenny Johnson-Sardella
William Tudor

Krishan Manners
Village Manager

John J. Hearn
Village Attorney

Marlen Martell
Village Clerk

May 23, 2017

The Mayor and Members of the Village Commission
640 Northeast 114th Street
Biscayne Park, Florida 33161

It is our pleasure to present the Comprehensive Annual Financial Report (CAFR) for the Village of Biscayne Park, Florida (the "Village"), for the fiscal year ended September 30, 2015. This submission is pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the Village Charter. The Village is required to provide annually a report on its financial position and activity that is audited by an independent audit firm of certified public accountants. To meet this requirement these financial statements have been audited by GLSC & Company, PLLC Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the Village in conformity with GAAP.

The CAFR consists of management's representation of Village finances and consequently assumes the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the Village's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

PROFILE OF THE GOVERNMENT

The Village of Biscayne Park is a political subdivision of the State of Florida located in Northeast Miami-Dade County incorporated in 1933. The Village has a year-round population estimated at 3,055 residents living within the .65 square mile jurisdiction. The Village is a residential-based community with no commercial district.

Operating under a Commission/Manager form of government, the Commission consists of five members elected at large. The Mayor is chosen by each of the newly formed commissions. Three Commissioners are elected every two years with the two commissioners, receiving the highest votes, serving four year terms. The Village Commission determines the policies that guide the Village's operations and hires a Village Manager to implement and administer these policies on a full-time basis.

During the fiscal year that ended September 30, 2015, the Village of Biscayne Park provided a full range of municipal services including police, parks and recreation facilities, solid waste collection, stormwater, building and zoning, planning, infrastructure maintenance and code enforcement.

The annual budget serves as the foundation for the Village of Biscayne Park's financial planning and control. Based on the schedule developed in the budget calendar, all Village departments are required to submit proposed budgets to the Village Manager, who then makes any necessary revisions. The Village Manager then presents to the Village Commission for their review, a budget estimate of the expenditures and revenues of all the Village's departments. Two public hearings are then conducted to inform taxpayers of the proposed budget, to receive their comments, and respond to their questions of the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. The Village's budget is approved at the department level. The Village Manager and Finance Director may amend the adopted budget for adjustments within a department. The Village Commission must approve all other budget



The Village of Biscayne Park

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adjustments as well as any supplemental appropriations. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations. Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level. Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted included as pages 52-55. For all non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund section of this report, which starts on page 59.

ECONOMIC CONDITION AND OUTLOOK

The Village of Biscayne Park property values have begun to recover which resulted in a property tax collection increase of 10.3% from 2014 to 2015. This increase allows the Village to maintain or increase the current level of service. We expect this trend to continue and improve in the coming year.

LONG TERM FINANCIAL PLAN

The Village continues find ways to cut costs while maintaining services to help increase its fund balance. Additionally, the Village continues to seek grants for enhancements and maintenance of Village infrastructure. In fiscal year 2014 the Village was awarded \$1,000,000 to build a new Village Hall and restore the Historic Log Cabin. The Village hall was completed in September of 2015 and work on the Log Cabin continued.

In addition, the Village applied to annex an area of unincorporated Miami-Dade County for the purpose of expanding its tax base to include commercial properties. This was done for the purpose of providing flexibility for long term financial planning.

FINANCIAL INFORMATION

Village Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

The Village's *accounting system* is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The type of funds used are generally determined by the Village Commission upon the recommendations of the Village Manager and the Finance Director which is based upon established and accepted accounting policies and procedures as well as the number of funds required.



The Village of Biscayne Park

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DEBT ADMINISTRATION

The Village Charter has strict guidelines with regard to long-term debt borrowing. The Village shall not borrow funds unless:

- (A) approved by four Commissioners; and
- (B) provided the Commission has first received and approved a feasibility study from the Manager concluding that sufficient revenues are available to repay the indebtedness; and
- (C) the funds are borrowed for a valid public purpose.

During the year the Village borrowed \$350,000 to complete the construction of the Village Hall and the restoration of the Log Cabin.

INDEPENDENT AUDIT

In accordance with Florida Statutes Section 218.39, the Village has engaged the firm of GLSC & Company, PLLC, to perform the independent audit of the Village's financial statements for the year ended September 30, 2015. The Independent Certified Public Accountants' report is presented in the financial section of this CAFR.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded the Village of Biscayne Park the Certificate of Achievement for Excellence in Financial Reporting for the five fiscal years between fiscal years 2008 through 2012 and for the year 2014. The certificate is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to receive this award, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, which contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements and is valid for a period of one year only.

The preparation of the CAFR report could not have been accomplished without the efficient and dedicated services and support of the Mayor and Commission, Village staff, the Village's audit firm, GLSC & Company, PLLC, and The Consulting Group of South Florida, Inc. We wish to express our appreciation to all participants for their interest and support in planning and conducting the financial operations of the Village in a responsible and progressive manner. Finally, we would also like to thank the various operating departments for their contributions in the writing of this report.

Respectfully submitted,

Krishan Manners
Village Manager

Beatrice Galeano,
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Biscayne Park
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Enser". The signature is written in a cursive, flowing style.

Executive Director/CEO



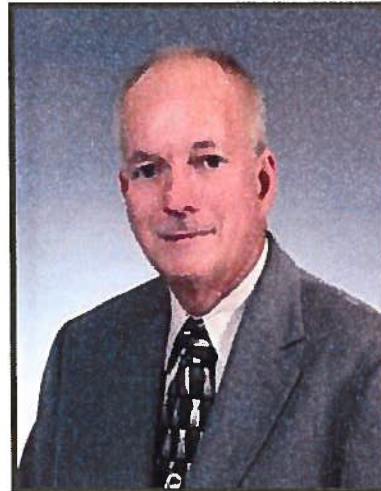
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Village of Biscayne Park, Florida

LIST OF ELECTED OFFICIALS
September 30, 2015



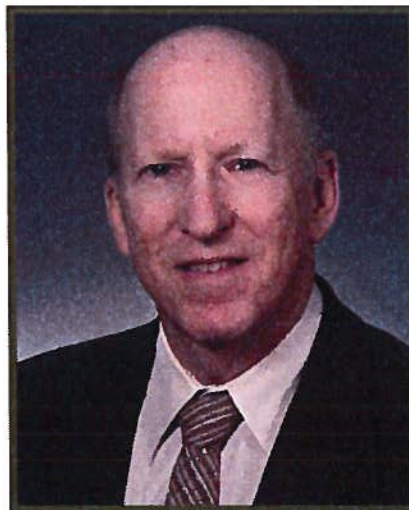
Mayor David Coviello



**Commissioner Robert "Bob"
Anderson**



Commissioner Roxanna Ross



Commissioner Fred Jonas



Commissioner Barbara Watts



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VILLAGE OF BISCAYNE PARK

LIST OF APPOINTED OFFICIALS

September 30, 2015

APPOINTED OFFICIALS

Village Manager.....Heidi Siegel
Village Clerk.....Maria Camara
Village Attorney.....John J. Hearn

DEPARTMENT HEADS

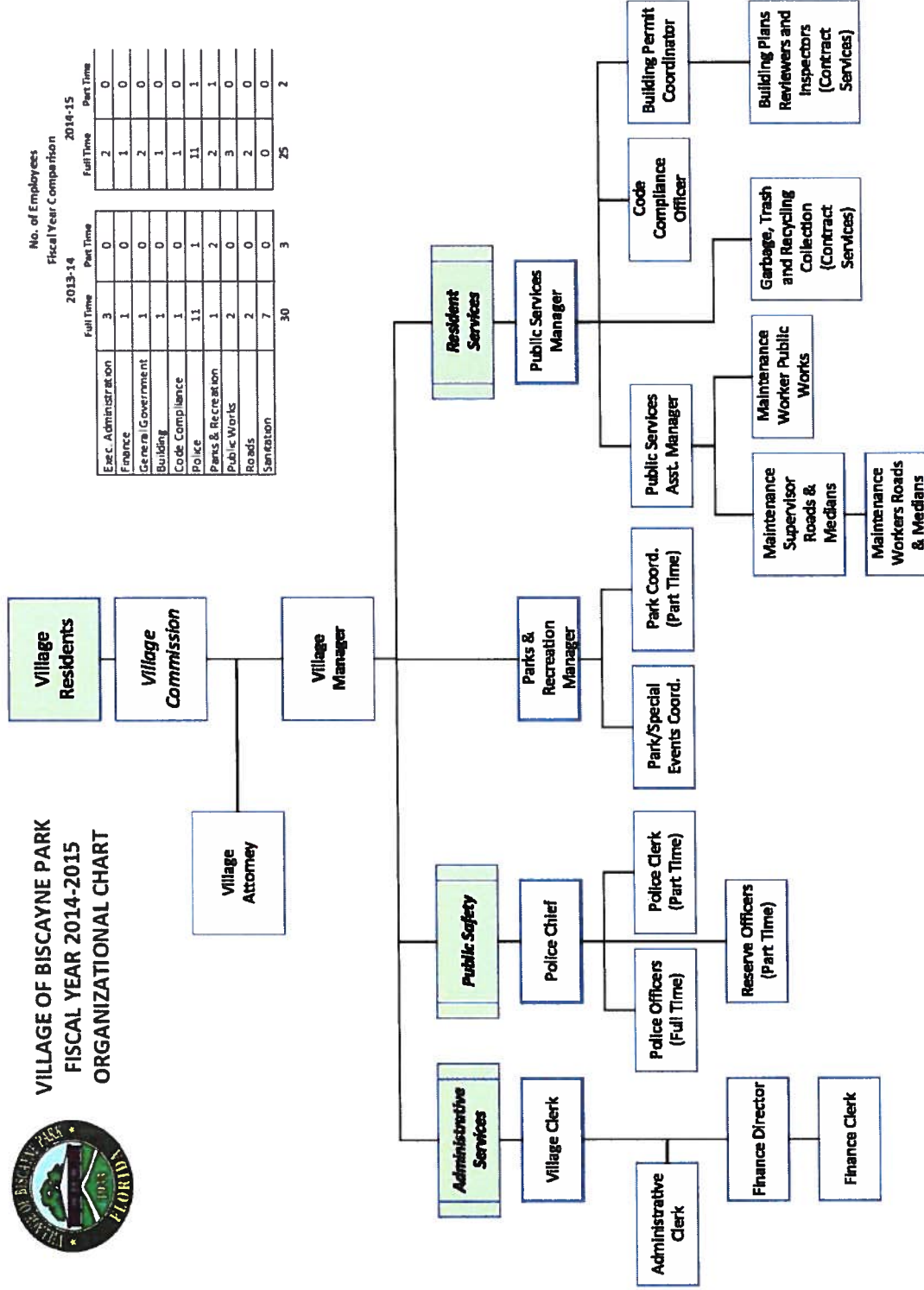
Finance Manager.....Claude Charles
Chief of Police.....Cornelius McKenna
Public Services Manager.....Krishan Manners
Parks & Recreation Manager.....Shelecia Bartley
Building Clerk.....Shanesa Mykoo



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VILLAGE OF BISCAYNE PARK FISCAL YEAR 2014-2015 ORGANIZATIONAL CHART





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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT



GLSC & COMPANY, PLLC
certified public accountants

6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 15 to the financial statements, in 2015, the Village adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified in respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13 and 52 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of budget to actual and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedule of budget to actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedule of budget to actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
May 23, 2017





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MANAGEMENT DISCUSSION & ANALYSIS

Management's Discussion and Analysis

As management of the Village of Biscayne Park, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Biscayne Park (the Village) for the fiscal year ended September 30, 2015. Readers are encouraged to consider the information presented here in conjunction with the auditors' reports, the basic financial statements, the notes to the financial statements, and the supplementary information.

Financial Highlights for Fiscal Year 2015

- At September 30, 2015, the assets and deferred outflows of the Village of Biscayne Park exceeded its liabilities and deferred inflows by \$2,212,414 (*net position*). Of this amount, \$2,477,472 was invested in capital assets, net of related debt. Additionally, \$407,932 was restricted by law, agreements, or for capital projects. The Village had a negative unrestricted net position of \$672,990 in its unrestricted net position.
- During the fiscal year 2015, the Village implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68.)* These statements change the way pension obligations are reported in the Village's financial statements, so that the Village's net pension liability is now reported for the first time directly in the government-wide financial statements and in the enterprise fund financial statements, as applicable. The implementation of these GASB statements resulted in a restatement of the beginning net position for the current fiscal year to include the beginning net pension liability of \$1,267,110. As originally reported, the Village's total net assets for the previous fiscal year that ended September 30, 2014 were \$2,304,217. The restated net assets were \$1,037,107 (see Note 15, Prior Period Adjustment, for more information on the adjustment).
- During the fiscal year 2015, net position increased by a net of \$1,175,307. The increase is attributable to current year results of operations. The change in net position resulted from an increase of \$1,188,801 in governmental activities and a decrease of \$13,494 in business-type activities.
- At September 30, 2015, the Village of Biscayne Park's general fund reported an ending fund balance of \$785,032, an increase of \$152,039 as compared with the prior year. Of the total fund balance, approximately \$730,913 or 93% of this total amount is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance represents 30% of total general fund operating expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Biscayne Park's basic financial statements. The Village of Biscayne Park's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Biscayne Park financial activity, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the assets and liabilities of the Village of Biscayne Park, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g.,

uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village of Biscayne Park that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Biscayne Park include general government, public safety, public works, parks and recreation, code enforcement, and building, planning, and zoning. The business-type activities of the Village include sanitation.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Biscayne Park, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Village of Biscayne Park can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term cash flow and financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions and the impact on short term cash flow requirements to meet basic on-going operations. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Biscayne Park maintains five (5) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, the Citizens Independent Transportation Trust (CITT) fund and the capital improvements fund, which are considered major funds. Data from the other two (2) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 to 19 of this report. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 59 to 60 of this report.

Proprietary funds. The Village of Biscayne Park maintains one proprietary or enterprise fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses an enterprise fund to account for its sanitation operations. *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 20 to 22 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 23 to 51 of this report.

Government-wide Financial Analysis

Summary of net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

1. **Net results of activities** will impact (increase/decrease) current assets and unrestricted net position.
2. **Borrowing for capital** will increase current assets and long-term debt.

3. Spending borrowed proceeds on new capital will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the net investment in capital assets.

4. Spending of non-borrowed current assets on new capital will reduce current assets and increase capital assets and will reduce unrestricted net position and increase net investments in capital assets.

5. Principal payment on debt will reduce current assets, reduce long-term debt, and reduce unrestricted net position and increase net investments in capital assets.

6. Reduction of capital assets through depreciation will reduce capital assets and reduce net investments in capital assets.

At September 30, 2015 the Village of Biscayne Park governmental activities' assets and deferred outflows exceeded liabilities and deferred inflows by \$2,204,149. The Village's net position of \$2,477,472 reflects its investment in capital assets (e.g., land and equipment). The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. An additional portion of the Village's net position, \$407,932 represents resources that are subject to restrictions on how they may be used. There is a negative unrestricted net position of \$681,255.

The Village of Biscayne Park is able to report positive balances in the net position invested in capital assets and the restricted net position while unrestricted net position for governmental activities reported a negative unrestricted net position of \$681,255 at September 30, 2015 primarily as a result of the implementation of GASB No. 68.

	Governmental Activities		Business Type Activities		Total Primary Government	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other assets	\$ 1,246,832	\$ 1,060,204	\$ 122,893	\$ 300	\$ 1,369,725	\$ 1,060,504
Capital Assets, net	<u>2,891,343</u>	<u>1,542,804</u>	<u>-</u>	<u>48,720</u>	<u>2,891,343</u>	<u>1,591,524</u>
Total Assets	<u>4,138,175</u>	<u>2,603,008</u>	<u>122,893</u>	<u>49,020</u>	<u>4,261,068</u>	<u>2,652,028</u>
Deferred Outflow of Resources	<u>207,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,321</u>	<u>-</u>
Other Liabilities	1,325,681	232,339	114,628	1,530	1,440,309	233,869
Long-term Debt	<u>589,658</u>	<u>88,211</u>	<u>-</u>	<u>25,731</u>	<u>589,658</u>	<u>113,942</u>
Total Liabilities	<u>1,915,339</u>	<u>320,550</u>	<u>114,628</u>	<u>27,261</u>	<u>2,029,967</u>	<u>347,811</u>
Deferred Inflow of Resources	<u>226,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,008</u>	<u>-</u>
Net Investments in Capital Assets	2,477,472	1,454,593	-	22,989	2,477,472	1,477,582
Restricted	407,932	344,071	-	-	407,932	344,071
Unrestricted	<u>(681,255)</u>	<u>483,794</u>	<u>8,265</u>	<u>(1,230)</u>	<u>(672,990)</u>	<u>482,564</u>
Total net position	<u>\$ 2,204,149</u>	<u>\$ 2,282,458</u>	<u>\$ 8,265</u>	<u>\$ 21,759</u>	<u>\$ 2,212,414</u>	<u>\$ 2,304,217</u>

Net investment in capital assets increased by \$999,890 as compared with prior fiscal year. This increase resulted mainly from the expenditures associated with the construction of the Public Safety & Administration Annex and the restoration of the historic Village Hall Log Cabin.

Restricted net position increased by \$63,861 to \$407,932 in fiscal year 2015 from \$344,071 in fiscal year 2014 due to funds received for transportation and transit projects. The decrease in unrestricted net position of \$1,155,554 was attributed to an increase in the pension expense recorded during the year ended September 30, 2015 in connection with the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*. The implementation of the new accounting standard reduced the beginning net position by \$1,267,110.

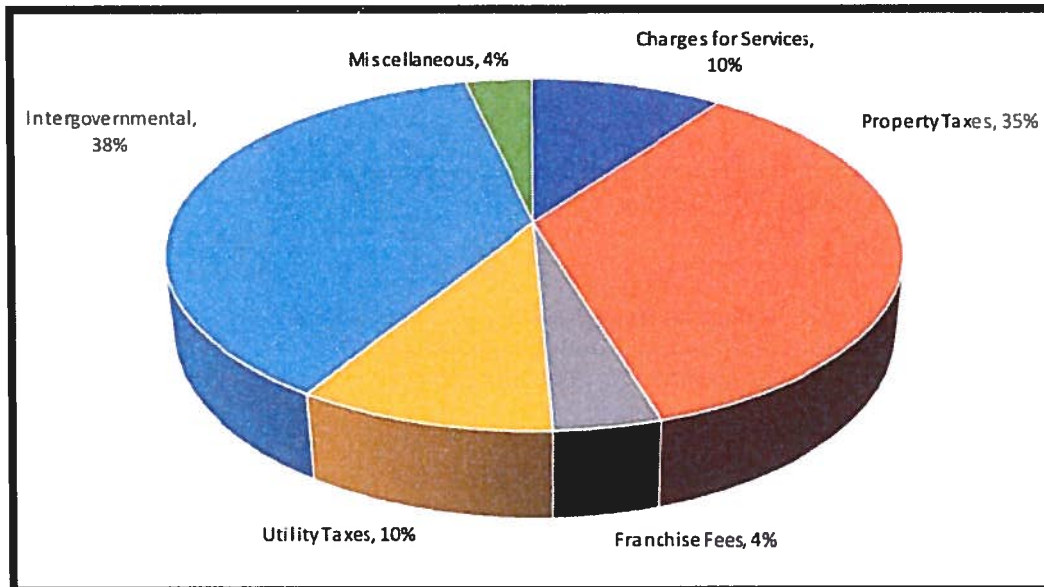
Governmental Activities. Financial activities for the fiscal year are reported below. Key indicators, including revenues and expenditures by category are presented below:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 384,393	\$ 301,747	\$ 604,462	\$ 732,916	\$ 988,855	\$ 1,034,663
Operating grants & Contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	1,365,615	1,225,312	-	-	1,365,615	1,225,312
Utility Taxes	367,510	384,581	-	-	367,510	384,581
Franchise fees	152,436	124,651	-	-	152,436	124,651
Intergovernmental (unrestricted)	1,448,111	470,224	-	-	1,448,111	470,224
Miscellaneous	136,663	107,464	62,182	-	198,845	107,464
Total Revenues	3,854,728	2,613,979	666,644	732,916	4,521,372	3,346,895
Expenses:						
General government	995,956	750,089	-	-	995,956	750,089
Public safety	1,223,924	1,266,155	-	-	1,223,924	1,266,155
Physical environment	373,669	371,460	-	-	373,669	371,460
Culture and recreation	163,468	176,799	-	-	163,468	176,799
Sanitation	-	-	584,757	734,942	584,757	734,942
Interest on long-term debt	4,291	1,471	-	-	4,291	1,471
Total Expenses	2,761,308	2,565,974	584,757	734,942	3,346,065	3,300,916
Excess (Deficiency) in Net Position before transfers	1,093,420	48,005	81,887	(2,026)	1,175,307	45,979
Transfers	95,381	-	(95,381)	-	-	-
Change in net position	1,188,801	48,005	(13,494)	(2,026)	1,175,307	45,979
Net position, beginning	2,282,458	2,234,453	21,759	23,785	2,304,217	2,258,238
Cumulative effect of implementation of GASB No. 68 and No. 71	(1,267,110)	-	-	-	(1,267,110)	-
Net position as restated	1,015,348	2,234,453	21,759	23,785	1,037,107	2,258,238
Net position, ending	\$ 2,204,149	\$ 2,282,458	\$ 8,265	\$ 21,759	\$ 2,212,414	\$ 2,304,217

For fiscal year 2015, total revenues increased by \$1,174,477 or 35% as compared to prior year. The increase in revenues was mainly due to growth in all General Revenues categories, primarily growth in the tax roll and increases in intergovernmental revenues mainly from a \$1,000,000 grant from the state of Florida for the construction of the Village Hall and the restoration of the Log Cabin.

Total expenses increased \$45,149 or 1%. The marginal increase in total expenses was attributable to various factors from operating activities as salaries, insurance, and consulting services.

Figure A-1
Village of Biscayne Park
Revenues by Source – Governmental Activities
For the Fiscal Year Ended September 30, 2015



Business-type activities. The Village of Biscayne Park has one business-type activity, Sanitation. This enterprise fund was established to account for the service fees and expenses related to weekly trash pickup, weekly bulk waste pickup and special bulk pick-ups. Changes in Proprietary funds are explained on page 10 of this report.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Biscayne Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village of Biscayne Park's *Governmental Funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, the *Unassigned Fund Balance* may serve as a useful measure of the government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the Governmental Funds for the Village of Biscayne Park reported combined ending fund balances of \$1,090,426. Of this amount, \$614,875 reflects Unassigned Fund Balance, which is available for spending at the government's discretion. The remainder of the fund balance, \$475,551 is Non-spendable, Restricted or Assigned Fund Balances indicating that it is not available for new spending as those dollars have already been committed or are not in spendable form. Non-spendable Fund Balance of \$54,119 is comprised of inventories and prepayments. The Restricted Fund Balance of \$407,932 pertains to remaining balance of funds received from collection of Gas Taxes and Transportation Surtax usage which are restricted for transportation and transit related activities and \$13,500 for debt service. The total Fund Balances show a net increase of \$113,362 as compared to the prior fiscal year. This increase is attributable to a deficiency of revenues over expenditures mainly for the construction of the Village Hall and Log Cabin and an increase in other financing sources due to proceeds from a \$350,000 loan payable from City National Bank and a transfer in from the sanitation fund of \$95,381 from the sale of garbage trucks.

General Fund. The General Fund is the primary operating fund of the Village of Biscayne Park. At the end of the current fiscal year, the Village's General Fund reported a fund balance of \$785,032, an increase of \$152,039 in comparison with the prior fiscal year. Approximately 93% of the total fund balance, \$730,913, constitutes Unassigned Fund Balance, which is available for spending at the Village's discretion. The remainder of the Fund Balance is reserved to indicate that it is not available for new spending because it has already been committed for inventories and prepayments totaling \$54,119.

At the end of the current fiscal year, the Unassigned Fund Balance of the General Fund was \$730,913. As a measure of the general fund's liquidity, it may be useful to compare Unassigned Fund Balance and Total Fund Balance to Total Fund Expenditures. The Unassigned Fund Balance represents 30% of total General Fund expenditures, while total fund balance represents 32% of that same amount.

A summary of the General Fund's condensed balance sheet and statement of revenues, expenditures and changes in fund balance for September 30, 2015 and 2014 is shown below:

Table 3
Village of Biscayne Park
Summary of General Fund Balance Sheet
As of September 30, 2015 and 2014

	2015	2014	Change	Percent Change
Total assets	\$ 1,175,548	\$ 904,076	\$ 271,472	30.03%
Total liabilities	390,516	271,083	119,433	44.06%
Non spendable and restricted	54,119	77,050	(22,931)	-29.76%
Unassigned fund balance	730,913	555,943	174,970	31.47%
Total fund balance	785,032	632,993	152,039	24.02%
Total liabilities and fund balance	\$ 1,175,548	\$ 904,076	\$ 90,662	10.03%

Table 4
Village of Biscayne Park
Summary of General Fund Statement of Revenues,
Expenditures, and Changes in Fund Balance
as of September 30, 2015 and 2014

	2015	2014	Change	Percent Change
Total revenues	\$ 2,619,920	\$ 2,356,052	\$ 263,868	11.20%
Total expenditures	2,474,828	2,297,470	177,358	7.72%
Excess of revenues over expenditures	145,092	58,582	86,510	147.67%
Other Financing Sources (Uses)	6,947	41,984	(35,037)	-83.45%
Change in fund balance	152,039	100,566	51,473	51.18%
Fund balance, beginning	632,993	532,427	100,566	18.89%
Fund balance, ending	\$ 785,032	\$ 632,993	\$ 152,039	24.02%

The Village of Biscayne Park revenues increased by \$263,868 over 2014. This is mainly attributable to growth in the tax roll and increases in liens and permits.

Other Major Governmental Funds. The Village of Biscayne Park has two other major funds, the CITT Fund and the Capital Improvements Fund. The fund balance at September 30, 2015 for the CITT Transportation Fund increased by \$75,500 from 2014 to 2015 representing the excess of revenues received from CITT over expenditures. Expenditures for the Capital Improvements fund for the year ended September 30, 2015 exceeded revenues by \$531,093 due primarily to the completion of the Village Hall and Log Cabin renovation. Approximately \$350,000 was provided by a loan from City National Bank and the difference was financed with advances from the General Fund.

Proprietary funds. The Village's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the Sanitation Fund at the end of 2015 totaled \$8,265 compared to \$21,759 in 2014, a decrease of \$13,494 compared to the prior year. Revenues decreased by \$128,454 from \$732,916 in 2014 to \$604,462 in 2015, representing a decrease of 18%. Expenses decreased from \$734,942 in 2014 to \$584,757 in 2015, a decrease of \$150,185 or 20%. The decrease in revenues and expenses are the result of the Village entering into an agreement with Waste Pro of Florida to operate the sanitation department.

General Fund Budgetary Highlights

The final budget expenditures and the actual amounts were over in the following departments: administration, finance, building and code enforcement, non-departmental and debt service. The excess expenditure in the departments was largely due to increase in salaries, buildings permits issued which increase inspection expenditures, payment to a workers compensation claim, and the initial cost and principal and interest payments on the \$350,000 loan for the completion of the Log Cabin renovation. The budgetary comparison schedules and notes to the schedule are presented for the general fund and major special revenue fund - CITT on pages 52 through 55 of this report.

Capital Assets. The Village of Biscayne Park's investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounts to \$2,477,472 (net of accumulated depreciation). This investment in capital assets includes Village-owned buildings, land, equipment and other infrastructure (sidewalks and drainage systems). The following table summarizes the components of the Village's investments in capital assets.

Table 5
Village of Biscayne Park
Capital Assets as of September 30, 2015 and 2014

Increases in capital assets during fiscal year 2015 include primarily costs associated with the completion of the Village Hall and Log Cabin renovation in the amount of approximately \$1,537,550. Additional information on the Village of Biscayne Park's capital assets may be found in Note 6 on page 37 of this report.

Classification	Governmental Activities		Business-Type Activities		Total		Percent Change
	2015	2014	2015	2014	2015	2014	
Land	\$ 157,490	\$ 157,490	\$ -	\$ -	\$ 157,490	\$ 157,490	0.00%
Building	896,946	896,946	-	-	896,946	896,946	0.00%
Infrastructure	1,150,013	1,150,013	-	-	1,150,013	1,150,013	0.00%
Furniture and equipment	1,560,825	1,557,604	-	308,023	1,560,825	1,865,627	-16.34%
Construction In Progress	1,548,183	10,633	-	-	1,548,183	10,633	14460.17%
Total capital assets	\$ 5,313,457	\$ 3,772,686	\$ -	\$ 308,023	\$ 5,313,457	\$ 4,080,709	30.21%

Long-term Debt. At September 30, 2015, the Village of Biscayne Park had \$413,871 in long-term debt pertaining to the balance of the loan payable and capital leases. Additional information on the Village's long-term debt may be found in Note 7 on page 38 of this report.

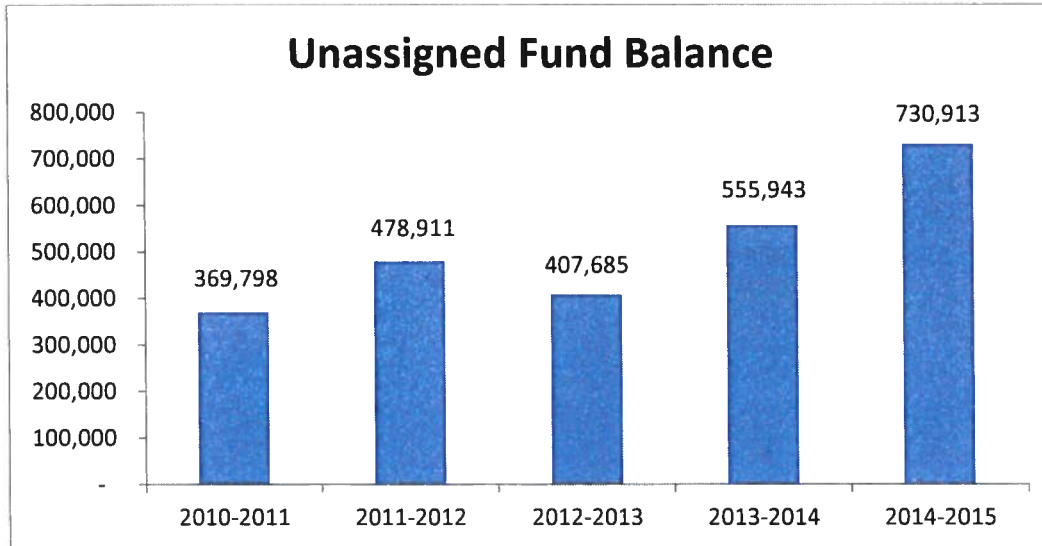
Economic Factors and Next Year's Budgets and Rates

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, telecommunication, gasoline, utility services, etc.) and fees (franchise, building permits, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from the county, state and federal governments.

The Village of Biscayne Park is a residential, single-family community with no commercial component. Property taxes comprise approximately 52% of total general fund revenues. As such, the Village relies heavily on the property values of single family homes. Property tax revenues increased by \$76,767 and collection of delinquent property and other taxes was approximately \$63,000.

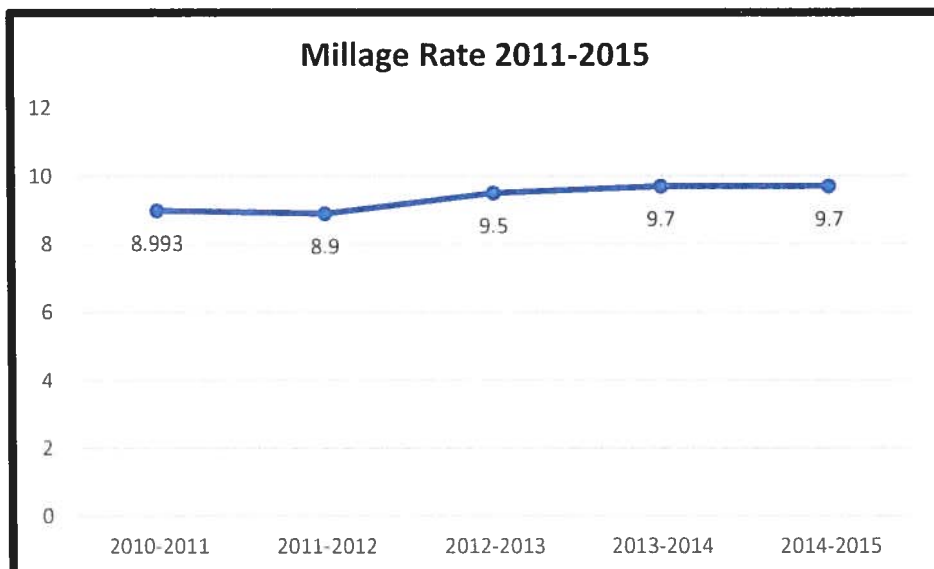
At September 30, 2015, unassigned fund balance in the General Fund was \$730,913 as compared to unassigned fund balance of \$555,943 in 2014, an increase of \$174,970. However, there are deficiencies in fund balances in the Capital Improvement fund of \$106,159 and \$9,879 in the Police Forfeiture fund.

Figure A-4
Village of Biscayne Park
General Fund Unrestricted/Unassigned Surplus
For the fiscal years ended September 30, 2011-2015



Millage rates are limited to 10 mills by state law. The graph below shows the Village of Biscayne Park millage rates from 2011 to 2015. For fiscal year 2014-15, the Village Commission held the millage rate at 9.7 mills, the same rate that was set for the previous fiscal year.

Table A-5
Village of Biscayne Park
Total Village Millage
For the Fiscal Years ended September 30, 2011-2015



The Village faces the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect, while at the same time maintaining both its unrestricted surplus and current millage rate. Due to the growth in the property tax roll, the Village was able to maintain the millage rate at the same level as the previous fiscal year at 9.7 mills. The increase in collection of ad valorem revenues was \$140,303, or 10.3% over fiscal year 2014. Expenditures increased from \$2,297,470 in 2014 to 2,474,828 in 2015, an increase of \$177,358 or 8%.

Requests for Information

This financial report is designed to provide a general overview of the Village of Biscayne Park's finances for all those with an interest in the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Department at:

VILLAGE OF BISCAYNE PARK
Finance Department
640 Northeast 114th Street
Biscayne Park, Florida 33161



BASIC FINANCIAL STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>ASSETS</u>			
Cash	\$ 766,893	\$ -	\$ 766,893
Investments	11,214	-	11,214
Restricted cash	449,526	-	449,526
Accounts receivable	87,973	-	87,973
Internal balances	(122,893)	122,893	-
Inventories	1,198	-	1,198
Prepayments	52,921	-	52,921
Capital assets:			
Non-depreciable capital assets			
Land	157,490	-	157,490
Construction in progress	1,548,183	-	1,548,183
Total non-depreciable capital assets	1,705,673	-	1,705,673
Depreciable assets			
Leasehold improvements	896,946	-	896,946
Furniture and equipment	1,560,825	-	1,560,825
Infrastructure	1,150,013	-	1,150,013
Less: accumulated depreciation	(2,422,114)	-	(2,422,114)
Net depreciable capital assets	1,185,670	-	1,185,670
Total property and equipment	2,891,343	-	2,891,343
Total assets	4,138,175	122,893	4,261,068
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred outflows related to pensions	207,321	-	207,321
<u>LIABILITIES</u>			
Liabilities:			
Accounts payable and other current liabilities	87,068	114,628	201,696
Accrued payroll and benefits	52,168	-	52,168
Other liabilities	17,170	-	17,170
Noncurrent liabilities:			
Net pension liability	1,169,275	-	1,169,275
Due within one year	42,431	-	42,431
Due in more than one year	547,227	-	547,227
Total liabilities	1,915,339	114,628	2,029,967
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred inflows related to pensions	226,008	-	226,008
<u>NET POSITION:</u>			
Net Position:			
Net investment in capital assets	2,477,472	-	2,477,472
Restricted for:			
Transportation	407,932	-	407,932
Unrestricted	(681,255)	8,265	(672,990)
Total net position	\$ 2,204,149	\$ 8,265	\$ 2,212,414

The accompanying notes are an integral part of the financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions</u>		<u>Governmental Activities</u>	<u>Primary Government</u>	
			<u>Operating Contributions</u>	<u>Capital Contributions</u>		<u>Business-type Activity</u>	<u>Total</u>
Governmental activities:							
General government	\$ 995,956	\$ 44,958	\$ -	\$ -	\$ (950,998)	\$ -	\$ (950,998)
Public safety	1,223,924	311,352	-	-	(912,572)	-	(912,572)
Physical environment	373,669	-	-	-	(373,669)	-	(373,669)
Culture and recreation	163,468	28,083	-	-	(135,385)	-	(135,385)
Interest on long-term debt	4,291	-	-	-	(4,291)	-	(4,291)
Total governmental activities	2,761,308	384,393	-	-	(2,376,915)	-	(2,376,915)
Business-type activity:							
Sanitation	584,757	604,462	-	-	-	19,705	19,705
Total primary government	3,346,065	988,855	\$ -	\$ -	(2,376,915)	19,705	(2,357,210)
General revenues:							
Property taxes					1,365,615	-	1,365,615
Utility taxes					367,510	-	367,510
Franchise fees on gross receipts					152,436	-	152,436
Intergovernmental not restricted to specific programs					1,448,111	-	1,448,111
Investment and miscellaneous income					136,663	62,182	198,845
Transfers					95,381	(95,381)	-
Total general revenues and transfers					3,565,716	(33,199)	3,532,517
Change in net position					1,188,801	(13,494)	1,175,307
Net position, beginning, as restated					1,015,348	21,759	1,037,107
Net position, ending					\$ 2,204,149	\$ 8,265	\$ 2,212,414

The accompanying notes are an integral part of the financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

<u>ASSETS</u>	<u>Major Funds</u>				<u>Total</u>
	<u>General</u>	<u>CITT Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	
Cash	\$ 766,893	\$ 386,956	\$ -	\$ 62,570	\$ 1,216,419
Investments	11,214	-	-	-	11,214
Accounts receivable - net	79,790	7,121	-	1,062	87,973
Due from other funds	263,532	6,241	58,431	157,976	486,180
Inventories	1,198	-	-	-	1,198
Prepayments	52,921	-	-	-	52,921
Total assets	<u>\$ 1,175,548</u>	<u>\$ 400,318</u>	<u>\$ 58,431</u>	<u>\$ 221,608</u>	<u>\$ 1,855,905</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 34,068	\$ -	\$ 51,915	\$ 1,085	\$ 87,068
Accrued payroll and benefits	52,168	-	-	-	52,168
Other liabilities	17,170	-	-	-	17,170
Due to other funds	<u>287,110</u>	<u>164,161</u>	<u>112,675</u>	<u>45,127</u>	<u>609,073</u>
Total liabilities	<u>390,516</u>	<u>164,161</u>	<u>164,590</u>	<u>46,212</u>	<u>765,479</u>
Fund balance:					
Nonspendable:					
Inventories and prepayments	54,119	-	-	-	54,119
Restricted for:					
Transportation	-	236,157	-	171,775	407,932
Debt service	-	-	-	13,500	13,500
Unassigned	<u>730,913</u>	<u>-</u>	<u>(106,159)</u>	<u>(9,879)</u>	<u>614,875</u>
Total fund balance (deficit)	<u>785,032</u>	<u>236,157</u>	<u>(106,159)</u>	<u>175,396</u>	<u>1,090,426</u>
Total liabilities and fund balances	<u>\$ 1,175,548</u>	<u>\$ 400,318</u>	<u>\$ 58,431</u>	<u>\$ 221,608</u>	<u>\$ 1,855,905</u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

Fund balance - total government funds (page 16)	\$	1,090,426
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets		5,313,457
Less accumulated depreciation		(2,422,114)

Long-term liabilities, including loan payable, are not due and payable in the current period and therefore are not reported in the funds.

Capital leases		(63,871)
Loan payable		(350,000)
Compensated absences		(118,589)
Net pension liability		(1,169,275)
OPEB liability		(57,198)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:

Deferred inflows of resources		(226,008)
Deferred outflows of resources		<u>207,321</u>

Net position of governmental activities (Page 14)	\$	<u>2,204,149</u>
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The accompanying notes are an integral part of the financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Major Funds</u>				
	<u>General</u>	<u>CITT Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES:					
Property taxes	\$ 1,365,615	\$ -	\$ -	\$ -	\$ 1,365,615
Franchise fees	152,436	-	-	-	152,436
Utility taxes	290,833	-	-	76,677	367,510
Charges for services	28,083	-	-	-	28,083
Intergovernmental	321,756	102,296	1,000,000	24,059	1,448,111
Licenses and permits	214,339	-	-	-	214,339
Fines and forfeitures	97,013	-	-	-	97,013
Interest	214	-	-	-	214
Miscellaneous	<u>149,631</u>	<u>-</u>	<u>-</u>	<u>31,776</u>	<u>181,407</u>
Total revenues	<u>2,619,920</u>	<u>102,296</u>	<u>1,000,000</u>	<u>132,512</u>	<u>3,854,728</u>
EXPENDITURES:					
Current:					
General government	885,517	-	1,531,093	97	2,416,707
Public safety	1,213,646	-	-	5,291	1,218,937
Physical environment	199,599	26,796	-	137,092	363,487
Culture and recreation	158,985	-	-	-	158,985
Debt service:					
Principal	14,269	-	-	10,071	24,340
Interest	<u>2,812</u>	<u>-</u>	<u>-</u>	<u>1,479</u>	<u>4,291</u>
Total expenditures	<u>2,474,828</u>	<u>26,796</u>	<u>1,531,093</u>	<u>154,030</u>	<u>4,186,747</u>
Excess (deficiency) of revenues over expenditures	<u>145,092</u>	<u>75,500</u>	<u>(531,093)</u>	<u>(21,518)</u>	<u>(332,019)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of debt	-	-	350,000	-	350,000
Transfers in	95,381	-	74,934	13,500	183,815
Transfers out	<u>(88,434)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,434)</u>
Total other financing sources	<u>6,947</u>	<u>-</u>	<u>424,934</u>	<u>13,500</u>	<u>445,381</u>
Net change in fund balances	152,039	75,500	(106,159)	(8,018)	113,362
Fund balance, beginning	<u>632,993</u>	<u>160,657</u>	<u>-</u>	<u>183,414</u>	<u>977,064</u>
Fund balance (deficit), ending	<u>\$ 785,032</u>	<u>\$ 236,157</u>	<u>\$ (106,159)</u>	<u>\$ 175,396</u>	<u>\$ 1,090,426</u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$	113,362
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Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlays	1,516,610		
Less current year depreciation	<u>(168,071)</u>		1,348,539

The issuance of long-term debt (e.g. bonds, leases, notes) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments			
Capital leases			24,340
Proceeds from debt issuance			
Loan payable			(350,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences			(12,776)
Pension related contribution expenses			72,951
OPEB Liability			<u>(7,615)</u>

Change in net position of governmental activities (page 15)	\$	<u>1,188,801</u>
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VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2015

	BUSINESS- TYPE ACTIVITIES ENTERPRISE FUND
	<u>SANITATION FUND</u>
ASSETS	
Current assets	
Due from other funds	\$ 147,800
Total current assets	<u>147,800</u>
 Total Assets	 <u>\$ 147,800</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 114,628
Due to other funds	<u>24,907</u>
Total current liabilities	<u>139,535</u>
Total Liabilities	<u>139,535</u>
NET POSITION	
Unrestricted	<u>8,265</u>
Total Net Position	<u>\$ 8,265</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND
	<u>SANITATION FUND</u>
OPERATING REVENUES	
Charges for services	\$ 595,627
Franchise taxes	<u>8,835</u>
Total Operating Revenues	<u>604,462</u>
OPERATING EXPENSES	
Operations and maintenance	575,041
Disposal costs	1,525
Depreciation	<u>8,191</u>
Total Operating Expenses	<u>584,757</u>
Operating Income	<u>19,705</u>
NONOPERATING REVENUES	
Gain on disposal of capital assets	<u>62,182</u>
Total Nonoperating Revenues	<u>62,182</u>
Income Before Transfers	81,887
Transfers out	<u>(95,381)</u>
Change in net position	(13,494)
TOTAL NET POSITION, OCTOBER 1	<u>21,759</u>
TOTAL NET POSITION, SEPTEMBER 30	<u>\$ 8,265</u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND SANITATION FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers, users and others	\$ 604,462
Cash paid for interfund services used	(122,593)
Cash paid to suppliers	(463,168)
Cash paid to employees	(300)
Net Cash Provided By Operating Activities	<u>18,401</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Transfer out to other funds	(95,381)
Net Cash Used In Noncapital Financing Activities	<u>(95,381)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal retirement of capital debt	(7,953)
Proceeds from sale of capital assets	<u>84,933</u>
Net Cash Provided By Capital and Related Financing Activities	<u>76,980</u>
NET CHANGE IN CASH	-
CASH, OCTOBER 1	<u>-</u>
CASH, SEPTEMBER 30	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET	
CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ <u>19,705</u>
Adjustment to reconcile operating income to cash provided by operating activities	
Depreciation	8,191
Change in Assets and Liabilities:	
Increase in due from other funds	(146,762)
Increase in accounts payable	113,098
Increase in due to other funds	<u>24,169</u>
Total adjustments	<u>(1,304)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 18,401</u>

The accompanying notes are an integral part of the financial statements



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NOTES TO FINANCIAL STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Village of Biscayne Park, Florida's (the "Village") significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. Financial Reporting Entity

The Village is a municipal corporation governed by an elected mayor and four-member commission under a Commission-Manager form of government. The Village is located in Miami-Dade County, Florida and was incorporated in 1933. The Village provides the following services to its residents - general government, public safety, building code enforcement, physical environment and culture and recreation.

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39 and 61, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity to be misleading or incomplete. The Village is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide financial benefits to, or impose specific financial burdens on the Village. Based on the application of these criteria, there was one entity evaluated for inclusion in the Village's reporting entity.

Discretely Presented—Biscayne Park Foundation, Inc. (the "Foundation") is a non-profit foundation created by the Village through passing of Ordinance 2007-08 on April 10, 2007, as its fundraising arm. The Foundation is intended to enhance the Village's opportunities to raise monies through special events, sponsorship, donation and grants exclusively for charitable, educational, and scientific purposes which include raising the educational and social levels of its residents to foster and promote community-wide interest and concern for the history and preservation of the Village. The Foundation is a separate legal entity and is governed by a separate board consisting of three to five members, nominated and appointed by the Village Commission for a term of five (5) years. Currently, the Village Commission serves as the Foundation's governing board. The Foundation has approximately \$6,350 cash in bank at September 30, 2015 and has no significant transactions during the year ended September 30, 2015, as such; the Foundation has not been presented in the Village's financial statements. The Foundation does not publish individual component unit financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. All interfund activities except interfund services provided and used, have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

c. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items, such as fines and forfeitures and licenses and permits, are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement focus, basis of accounting, and financial statement presentation (Continued)

The *CITT Fund* accounts for the proceeds of revenues from Citizen Independent Transportation Transit (CITT) of Miami Dade that is legally restricted for transportation and transit related activities.

The *Capital Improvements Fund* accounts for the capital projects of the Village for designated development areas.

The Village reports the following major proprietary fund:

The *Sanitation Fund* accounts for solid waste fees charged to customers for solid waste services.

Additionally, the Village reports the following nonmajor funds:

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are restricted legally to expenditures for specified purposes other than debt service or capital project.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of long-term debt principal and interest.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of administrative expense between the General Fund and Sanitation Fund. Elimination of these charges would distort the direct costs and program revenues for various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the solid waste fund are charges to customers for services. Operating expenses of the enterprise funds include costs of services, administrative expenses, repairs and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. New Pronouncements

Pronouncements implemented in the current year:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, improves accounting and financial reporting by state and local governments for pensions. GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, addressed an issue regarding application of the transition provisions of Statement No. 68. The issue related to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning pension liability. The adoption of GASB Statements No. 68 and No. 71 is reflected in the government-wide financial statements; in Note 9 Florida Retirement System; and in Note 15, Prior Period Adjustment; as well as the Required Supplementary Information Section.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, established accounting and financial reporting standards related to government combinations and disposals of government operations. The adoption resulted in no financial impact to the Village.

Pronouncements yet to be implemented:

GASB Statement 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of GASB 72 are effective for fiscal year 2016. The Village is currently evaluating the impact, if any, that GASB 72 may have on its financial statements.

GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 73 are effective for fiscal year 2017. The Village is currently evaluating the impact, if any, that GASB 73 may have on its financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. New Pronouncements (Continued)

GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 74 are effective for fiscal year 2017. The Village is currently evaluating the impact, if any, that GASB 74 may have on its financial statements.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The requirements of GASB 75 are effective for fiscal year 2018. The Village is currently evaluating the impact, if any, that GASB 75 may have on its financial statements.

GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of GASB 76 are effective for fiscal year 2016. The Village is currently evaluating the impact, if any, that GASB 76 may have on its financial statements.

GASB Statement 77, *Tax Abatement Disclosures*, improves financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The requirements of GASB 77 are effective for fiscal year 2017. The Village is currently evaluating the impact, if any, that GASB 77 may have on its financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, liabilities and net position

1. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes require all deposits of the Village, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by that statute.

Investments for the Village are reported at fair value. The Village's investment in the State Board of Administration Investment Pool is in the Local Government Surplus Funds Trust Fund Investment Pool ("LGIP"). The LGIP is considered a SEC 2A-7-like fund, thus reported at its fair value of its position in the pool, which is the same as its value of the pool shares.

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e, the current portion of interfund loans) or as "advances to/from other funds" (i.e, the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as a "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

All other receivables include amounts due for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund.

All trade receivables are shown net of an allowance for uncollectible accounts. Allowances for uncollectible receivables are based upon historical trend and the aging of the receivables.

3. Inventory and prepaid items

Inventories of governmental funds, which consist of expendable supplies held for consumption, are recorded as expenditures when consumed rather than when purchased (consumption method). The inventories of supplies, diesel fuel and gasoline are recorded at cost using the moving average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, liabilities and net position (Continued)

4. Restricted Assets

Proceeds from police forfeiture funds, transportation tax, local option gas taxes and debt service are classified as restricted in the government wide financial statements and in the Special Revenue Funds, Capital Improvement and Debt Service Fund since these resources are specifically earmarked for law enforcement, transportation, capital projects and debt service purposes only.

5. Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Village by Miami-Dade County (the County) on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Miami-Dade County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Village.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Village is established by the Village commission and the Miami-Dade County Property Appraiser incorporates the Village's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Village for the fiscal year ended September 30, 2015, was 9.7 mills (\$9.70 per \$1,000 of taxable assessed valuation).

6. Capital Assets

Capital assets, which include land, property, equipment, construction in progress and infrastructure assets (e.g., roads, sidewalks, culverts, light poles, and similar items), are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$750 for equipment and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, liabilities and net position (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are completed.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	20-25
Improvements other than buildings	5-10
Infrastructure	5-10
Furniture and equipment	5

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts and a resulting gain or loss is recorded in the government-wide financial statements and proprietary fund financial statements.

7. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for these compensated absences is recorded as a long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences that have matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement), while the proprietary funds report the liability as it is incurred. For governmental activities, compensated absences are generally liquidated by the General Fund.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and long-term obligations are reported as liabilities in the statement of net position.

9. Equity classifications

Government-wide statements and proprietary funds statements

Equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets—consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position—consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, liabilities and net position (Continued)

3. Unrestricted net position—all other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

The Village follows GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”. This Statement more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

- *Nonspendable fund balance* – amounts that cannot be spent either because they are not in spendable form (such as inventory) or because they are legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, Village Code, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* – amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Commission) through passing of an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.
- *Assigned fund balance* – amounts the Village intends to use for a specific purpose. Intent can be expressed by the management of the Village.
- *Unassigned fund balance* – amounts that are available for any purpose in the general fund, which are not included in any other spendable classifications.

When an expenditure is incurred for the purpose for which both restricted and unrestricted funds are available, the Village considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Commission or Village Manager has provided otherwise in its commitment or assigned actions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, liabilities and net position (Continued)

The Village will maintain a minimum unassigned fund balance in the General Fund, at each fiscal year end, ranging from 15% to 20% of the following year's projected budgeted expenditures and outgoing transfers. In any fiscal year where the Village is unable to maintain a 15% minimum level of fund balance as required in this section, the Village manager shall prepare and submit in conjunction with the proposed budget a plan for expenditure reductions and/or revenue increases necessary to restore the minimum requirements. As part of the annual budget process, the Commission will review and if necessary, amend the plan submitted by the Village Manager for restoring the amounts of unassigned fund balance to the required minimum levels. Any deficit in the required minimum amount must be restored no later than the end of the second fiscal year following the occurrence.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, the estimates may ultimately differ from actual results.

11. Pensions

For purposes of measuring Net Pension Liability, deferred outflows of resources, and deferred inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS' fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Date of Management Review

The Village's management has evaluated subsequent events through May 23, 2017, the date which the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Village is subject to various federal, state, and local laws and contractual regulations. Except as reported in the schedule of findings and recommendations, the Village has no material violations of finance-related legal and contractual obligations.

Fund Accounting Requirements—A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance related requirements, and segregation for management purposes.

Revenue Restrictions—The Village has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks, streets
Transportation Tax	Transportation and roads
Federal Forfeitures	Law Enforcement

3. DEPOSITS AND INVESTMENTS

Governmental and Proprietary Funds

As of September 30, 2015, the Village's carrying amount of deposits was approximately \$766,893 including petty cash of \$15. Bank balances before reconciling items were \$1,276,676 at that date, the total of which is collateralized or insured with securities held by the Village or by its agent in the Village's name as discussed below.

Custodial Credit Risk—Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All of the Village's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposit Act*. Under this Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level.

The Village's investment policy allows the following investments: U.S. Government obligations, U.S. agency obligation, U.S. instrumentality obligations, Certificate of Deposits, Savings and Loan Association Deposits, Investment-grade obligation of State, provincial and local governments and public authorities, money market mutual funds regulated by Securities and Exchange Commission and whose portfolios consist only of domestic securities, and Local Government Surplus Funds Trust Fund, or any intergovernmental, investment pool authorized through the Florida Interlocal Cooperation Act.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental and Proprietary Funds

As of September 30, 2015, the Village had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating</u>
State Board of Administration – Florida Prime	<u>\$ 11,214</u>	AAAm
	<u>\$ 11,214</u>	

The State Board of Administration (SBA) administers the Local Government Surplus Funds Trust Fund (LGIP), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapter 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the LGIP. The LGIP is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the LGIP is equal to the value of the pool shares. The investments in the LGIP are not insured by FDIC or any other governmental agency.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a written policy on interest rate risk since it does not have any investments with long term maturity. The weighted average days to maturity (WAM) of SBA-Florida Prime at fiscal year-end was 39 days.

Credit Risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investments in the Florida State Board of Administration (SBA) Local Government Surplus Funds Investment Pool (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. The State Pool is administered by the SBA, who provides regulatory oversight. The Village's investment in the LGIP was rated AAAm by Standard and Poor's as of September 30, 2015.

Concentration of Credit Risk—There are no limits on the amount that may be invested in money market funds or with the SBA.

Custodial credit risk—For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment. The Village's investments in money market funds and the State Board of Administration (SBA) Local Government Surplus Funds Investment Pool (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form.

4. RECEIVABLES/PAYABLES

Receivables—Receivables at September 30, 2015, consisted of franchise fees and other receivables. The Village's receivables at September 30, 2015, were as follows:

	Franchise Fees and Other Taxes		Other	Total
Governmental Funds				
General Fund	\$	75,704	\$ 4,086	\$ 79,790
CITT Fund		7,121	-	7,121
Nonmajor Funds		-	1,062	1,062
	\$	82,825	\$ 5,148	\$ 87,973

Payables—Accounts payable and other liabilities at September 30, 2015 were as follows:

		Due to Other Governments	Others	Total
	Vendor			
Governmental Funds				
General fund	\$ 33,006	\$ 1,062	\$ 17,170	\$ 51,238
Capital Improvement Fund	51,915	-	-	51,915
Nonmajor Funds	1,085	-	-	1,085
Total	<u>\$ 86,006</u>	<u>\$ 1,062</u>	<u>\$ 17,170</u>	<u>\$ 104,238</u>
Proprietary Funds				
Sanitation Fund	\$ 114,628	\$ -	\$ -	\$ 114,628

5. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS

Interfund balances as of September 30, 2015, were as follows:

Receivable Fund	Payable Fund					Total
	General Fund	CITT Fund	Capital Improvements Fund	Sanitation Fund	Nonmajor Funds	
General Fund	\$ -	\$ 105,730	\$ 112,675	\$ -	\$ 45,127	\$ 263,532
CITT Fund	6,241	-	-	-	-	6,241
Capital Improvements Fund	-	58,431	-	-	-	58,431
Nonmajor Funds	133,069	-	-	24,907	-	157,976
Sanitation Fund	147,800	-	-	-	-	147,800
	<u>\$ 287,110</u>	<u>\$ 164,161</u>	<u>\$ 112,675</u>	<u>\$ 24,907</u>	<u>\$ 45,127</u>	<u>\$ 633,980</u>

The outstanding balances between funds result mainly from the time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for fiscal year ended September 30, 2015 were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
Governmental Funds		
General fund	\$ 95,381	\$ 88,434
Capital improvement fund	74,934	-
Debt service fund	13,500	-
Proprietary Funds		
Sanitation fund	-	95,381
	<u>\$ 183,815</u>	<u>\$ 183,815</u>

Interfund transfers allow for appropriate allocation of resources when one fund is providing resources for another or a project calls for multiple sources of funds. Interfund transfers are used to move unrestricted revenues collected to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2015 was as follows:

	Balance September 30, 2014	Additions	Deletions	Balance September 30, 2015
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 157,490	\$ -	\$ -	\$ 157,490
Construction in progress	10,633	1,537,550	-	1,548,183
Total capital assets not being depreciated	<u>168,123</u>	<u>1,537,550</u>	<u>-</u>	<u>1,705,673</u>
Capital assets being depreciated:				
Building	896,946	-	-	896,946
Infrastructure	1,150,013	-	-	1,150,013
Furniture and equipment	1,557,604	40,269	(37,048)	1,560,825
Total capital assets being depreciated	<u>3,604,563</u>	<u>40,269</u>	<u>(37,048)</u>	<u>3,607,784</u>
Less accumulated depreciation for:				
Building	(341,208)	(2,745)	-	(343,953)
Infrastructure	(421,596)	(4,481)	-	(426,077)
Furniture and equipment	(1,467,078)	(185,006)	-	(1,652,084)
Total accumulated depreciation	<u>(2,229,882)</u>	<u>(192,232)</u>	<u>-</u>	<u>(2,422,114)</u>
Total capital assets being depreciated, net	<u>1,374,681</u>	<u>(151,963)</u>	<u>(37,048)</u>	<u>1,185,670</u>
Governmental activities capital assets, net	<u>\$ 1,542,804</u>	<u>\$ 1,385,587</u>	<u>\$ (37,048)</u>	<u>\$ 2,891,343</u>
Business-type activities				
Capital assets being depreciated:				
Equipment	\$ 308,023	\$ -	\$ (308,023)	\$ -
Total capital assets being depreciated	<u>308,023</u>	<u>-</u>	<u>(308,023)</u>	<u>-</u>
Less accumulated depreciation for:				
Equipment	(267,494)	(8,191)	275,685	-
Total accumulated depreciation	<u>(267,494)</u>	<u>(8,191)</u>	<u>275,685</u>	<u>-</u>
Total capital assets being depreciated, net	<u>40,529</u>	<u>(8,191)</u>	<u>(32,338)</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 40,529</u>	<u>\$ (8,191)</u>	<u>\$ (32,338)</u>	<u>\$ -</u>

Depreciation expense for the governmental funds was charged to functions/programs of the Village as follows:

General government	\$ 97,683
Public Safety	49,269
Physical Environment	14,693
Culture and Recreation	<u>6,426</u>
Total depreciation expense - governmental activities	<u>\$ 168,071</u>

7. CAPITAL LEASES/LONG-TERM DEBT

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. The Village entered into various lease agreements to finance the acquisition of vehicles.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

Year ending September 30:	<u>Governmental</u> <u>Activities</u>
2016	24,093
2017	24,093
2018	16,666
2019	<u>7,051</u>
Total minimum lease payments	71,902
Less: amount representing interest	<u>(8,031)</u>
Present value of minimum lease payments	<u>\$ 63,871</u>

The following schedule shows the leased assets capitalized as of September 30, 2015, by major asset class:

	<u>Capital Assets</u>
Equipment	135,700
Less: Accumulated depreciation for entity-wide	<u>67,640</u>
Carrying value	<u><u>68,060</u></u>

On May 11, 2015, the Village entered into a bank loan in the amount of \$350,000 for the construction of the Public Safety and Administration Annex and the restoration of the historic Village Hall log cabin. The loan bears interest at a rate of 4.25% and principal and interest payments of \$15,946 are due semi-annually for 15 years. The loan matures on May 11, 2030. The loan is secured by a portion of the Village's Half Cent Sales Tax Revenue from the State of Florida.

The bank loan requires the Village to maintain a Debt Service Fund account to have sufficient funds to pay the semi-annual payments of principal and interest due in connection with the loan. In addition the Village is required to open a control account with City National Bank of Florida and deposit all the monies and proceeds received by the Village in connection with the Half Cent Sales Tax into the control account. The Village is not in compliance with the control account requirement. The bank subsequently waived non-compliance with the requirement through April 14, 2017 and on May 23, 2017 the bank amended the control agreement and pledge and security agreement under similar terms and conditions.

7. CAPITAL LEASES/LONG-TERM DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2016	\$ 17,039	\$ 14,853	\$ 31,892
2017	17,779	14,113	31,892
2018	18,551	13,341	31,892
2019	19,357	12,535	31,892
2020	20,197	11,695	31,892
2021-2025	114,934	44,534	159,468
2026-2030	<u>142,143</u>	<u>17,324</u>	<u>159,467</u>
Total	<u>\$ 350,000</u>	<u>\$ 128,395</u>	<u>\$ 478,395</u>

Changes in general long-term debt during the year were as follows:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015	Due within One year
<i>Governmental activities</i>					
Capital leases	\$ 88,211	\$ -	\$ (24,340)	\$ 63,871	\$ -
Loan payable	-	350,000	-	350,000	17,041
Compensated absences	105,813	95,692	(82,916)	118,589	25,390
OBEB liability	<u>49,583</u>	<u>7,615</u>	<u>-</u>	<u>57,198</u>	<u>-</u>
	<u>\$ 243,607</u>	<u>\$ 447,367</u>	<u>\$ (82,916)</u>	<u>\$ 589,658</u>	<u>\$ 42,431</u>
<i>Business-type activities</i>					
Capital leases	\$ 25,731	\$ -	\$ (25,731)	\$ -	\$ -

8. RESTRICTED ASSETS

The balances of the restricted cash account in the governmental activities at September 30, 2015 pertain to the following:

<u>Fund</u>	<u>Restricted for</u>	<u>Amount</u>
CITT Fund	Transportation and transit	\$ 386,956
Road Fund	Transportation and transit	13,175
Debt Service Fund	Debt service	13,500
Police Forfeitures Fund	Public safety	<u>35,895</u>
		<u>\$ 449,526</u>

9. FLORIDA RETIREMENT SYSTEM

All new hire full-time or part-time employees working in a regularly established position for the City are automatically enrolled in the statewide Florida Retirement System (FRS), a multiple-employer, cost-sharing defined benefit plan. The FRS is totally administered by the State of Florida. The Village previously made an irrevocable election to participate in the FRS, a state-administered retirement system. All rates, benefits and amendments are established by the State of Florida through its legislative body.

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Plan Description

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges; or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

Type of Benefit

The Florida Retirement System Pension Plan (FRS) is a cost-sharing, multiple-employer qualified defined benefit plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Average Final Compensation (AFC)

For members initially enrolled in the FRS before July 1, 2011, average final compensation (AFC) is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, AFC is the average of the eight highest fiscal years of salary earned during covered employment.

Vesting

The system provides for vesting of benefits, regardless of membership class, after six years of creditable service for members who are enrolled on or after July 1, 2001 through June 30, 2011 and eight years of creditable service for members who are enrolled on or after July 1, 2011. Vesting for the FRS Investment Plan occurs when an employee completes one year of service in the FRS Investment Plan.

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Service Retirement

Normal retirement age in the regular, senior management service and elected officers' classes is 62 for members enrolled before July 1, 2011 and 65 for members enrolled on or after July 1, 2011. In the special risk service class, normal retirement age is 55 for members enrolled before July 1, 2011 and 60 for members enrolled on or after July 1, 2011. If a member is vested but has not reached normal retirement age, early retirement can be taken. The amount of the retirement benefit will be reduced 5% for each year prior to normal retirement.

Benefits are computed on the basis of age and/or years of service, average final compensation and service credit. The system also provides for death and disability benefits.

State law provides for all eligible FRS members to elect to participate in the Deferred Retirement Option Program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest-bearing account, for up to a maximum of sixty months, and to continue employment with the City. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

Funding Policy

Contributions to the FRS are made by the Village as a percentage of covered payrolls. Effective July 1, 2012, state law instituted a requirement that employees in all classes make a contribution to the FRS of 3.00% of their covered payroll, in addition to the employer's contribution. The required contribution rates in effect at year end for the Village were 7.26% for regular class employees, 21.43% for senior management service class employees, 22.04% for special risk class employees, and 42.27% for elected officers' class. Additionally, the Village was required to contribute 12.88% for all DROP participants. These rates include the normal cost and unfunded actuarial liability contributions and the 1.26 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.04% for administration of the FRS Investment Plan and provision of educational tools for both plans.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2015 and the two preceding years were as follows:

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Contribution requirements:			
Employer	\$ 170,111	\$ 154,243	\$ 123,031
Employee	<u>35,805</u>	<u>35,991</u>	<u>36,964</u>
	<u>\$ 205,916</u>	<u>\$ 190,234</u>	<u>\$ 159,995</u>
Contributions made (100%)	\$ 205,916	\$ 190,234	\$ 159,995
Total covered payroll	\$ 1,232,576	\$ 1,287,457	\$ 1,279,605
Percent of contributions to total covered payroll	<u>16.7%</u>	<u>14.8%</u>	<u>12.5%</u>

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

The FRS issues a comprehensive annual financial report including a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737
www.myfrs.com

Net Pension Liability

The components of the collective net pension liability of all of the participating employers for each defined benefit plan for the measurement date of June 30, 2015, are shown below (in thousands):

	FRS	HIS
Total Pension Liability (A)	\$ 161,370,735	\$ 10,249,201
Plan Fiduciary Net Position (B)	(148,454,394)	(50,774)
Net Pension Liability (A-B)	<u>\$ 12,916,341</u>	<u>10,198,427</u>
Plan Fiduciary Net Position as Percentage of Total Pension Liability (B/A)	92%	0.50%

The total pension liability for each plan was determined by the Plan's actuary and reported in the Plan's valuations dated July 1, 2015. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. Each Plan's fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The Village reported a liability of \$1,169,275 for its proportionate share of the net pension liability. The details of the proportionate shares are as follows:

FRS Pension Plan:

Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
\$129,240	0.005900231%	\$141,320	0.005796350%	\$360,001	\$748,676

FRS Retiree Health Insurance Subsidy (HIS) Program:

Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
\$14,433	0.004212325%	\$15,765	0.004124158%	\$393,949	\$420,599

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2013/2014 and 2014/2015. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense. For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2015, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2015:

HIS: The total pension liability is calculated on a single equivalent discount rate as required by GASB Statement No. 67. The discount rate used was updated from 4.29% to 3.80% reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond municipal bond index. That index was originally approved for use in HIS GASB 67 calculation by the 2014 Actuarial Assumption Conference.

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

In general, the discount rate for calculating the total pension liability under GASB 67 is equivalent to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go-basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rates used at the two dates differ due to changes in the applicable municipal bond rate.

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015, the FRS Actuarial Assumptions' conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which provides consulting for the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed income	18%	4.8%	4.7%	4.7%
Global equity	53%	8.5%	7.2%	17.7%
Real estate (property)	10%	6.8%	6.2%	12.0%
Private equity	6%	11.9%	8.2%	30.0%
Strategic investments	12%	6.7%	6.1%	11.4%
Assumed inflation - Mean		2.6%		1.9%

(1)- As outlined in the Plan's investment policy.

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2015.

FRS Pension Plan:

	FRS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.65%	7.65%	8.65%
Total pension liability	\$ 3,724,781	\$ 1,437,459	\$ (465,969)
Less: Fiduciary net position	<u>1,784,791</u>	<u>688,783</u>	<u>223,277</u>
Net pension liability	<u>\$ 1,939,990</u>	<u>\$ 748,676</u>	<u>\$ (242,692)</u>

FRS Retiree Health Insurance Subsidy (HIS) Program:

	HIS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	2.80%	3.80%	4.80%
Total pension liability	\$ 481,627	\$ 422,683	\$ 373,550
Less: Fiduciary net position	<u>2,374</u>	<u>2,084</u>	<u>1,842</u>
Net pension liability	<u>\$ 479,253</u>	<u>\$ 420,599</u>	<u>\$ 371,708</u>

Pension Expense and Deferred Outflows / (Inflows) of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

1. Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
2. Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Expense and Deferred Outflows / (Inflows) of Resources (continued)

3. Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
4. Differences between expected and actual earnings on pension plan investments – amortized over five years. Contributions to the pension plans from employers are not included in collective pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2015, was 6.3 years for FRS and 7.2 years for HIS. The pension expense recognized during the year by the Village amounted to \$79,148.

The components of deferred outflows and inflows of resources schedules for the fiscal year ended September 30, 2015, are presented below for each plan.

FRS Pension Plan			
Changes in:	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Contributions, subsequent to measurement date	\$ 39,904	\$ -	\$ 39,904
Assumptions/inputs	49,692	-	49,692
Projected/Actual earnings	-	(178,769)	(178,769)
Experience expected/actual	79,037	(17,759)	61,279
Changes in proportion, NPL	-	(27,314)	(27,314)
	<u>\$ 168,634</u>	<u>\$(223,842)</u>	<u>\$ (55,208)</u>
HIS Program			
Changes in:	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Contributions, subsequent to measurement date	\$ 5,369	\$ -	\$ 5,369
Assumptions/inputs	33,090	-	33,090
Projected/Actual earnings	228	-	228
Experience expected/actual	-	-	-
Changes in proportion, NPL	-	(2,166)	(2,166)
	<u>\$ 38,687</u>	<u>\$(2,166)</u>	<u>\$ 36,521</u>

9. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Expense and Deferred Outflows / (Inflows) of Resources (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Reporting Period Ending June 30,	FRS Expense	HIS Expense
2016	\$ (64,980)	\$ 5,561
2017	(64,980)	5,561
2018	(64,980)	5,561
2019	82,512	5,514
2020	13,614	5,492
Thereafter	3,702	3,464
Total	<u>\$ (95,112)</u>	<u>\$ 31,152</u>

10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description. The Village of Biscayne Park provides health insurance benefits to its retired employees through a single-employer plan administered by the Village. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the Village or its major component unit and eligible dependents, may continue to participate in the Village's fully-insured benefit plan for medical and prescription drug insurance coverage. The Village subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree's lifetime (or until such time at which retiree discontinues coverage under the Village sponsored plans, if earlier).

Funding Policy. Currently, the Village's Other Post-Employment Benefits are unfunded. That is, the Village has not determined if a separate Trust Fund or equivalent arrangement will be established into which the Village would make contributions to advance-fund the obligation. For the fiscal year 2015, no retirees received other postemployment benefits and, consequently, the Village did not provide any pay-as-you-go contributions toward the annual OPEB cost. Retirees are required to pay 100% of the blended premium in order to stay covered under the Village's group health insurance program.

Annual OPEB Cost and Net OPEB Obligation. The Village has elected to calculate the annual required contribution of the employer (ARC) and related information using the Alternative Measurement Method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The Village's annual other postemployment benefit cost (expense) is calculated based on the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Changes in the Village's net OPEB obligation to the retirees as of September 30, 2015 are as follows:

Annual required contribution	7,490
Interest on net OPEB obligation	1,679
Adjustment to annual required contribution	<u>(1,554)</u>
Annual OPEB cost	7,615
Employer contribution	-
Interest on employer contribution	<u>-</u>
Increase in net OPEB obligation	7,615
Net OPEB obligation, beginning of year	<u>49,583</u>
Net OPEB obligation, end of year	<u>\$ 57,198</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ending September 30,

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual OPEB cost	\$ 7,615	\$ 7,615	\$ 7,252
Percentage of OPEB cost contributed	0%	0%	0%
Net OPEB obligation	<u>\$ 57,198</u>	<u>\$ 49,583</u>	<u>\$ 41,968</u>

10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Funded Status and Funding Progress. As of the reporting date the plan assets were \$0, the actuarial accrued liability for benefits was \$44,017, the total unfunded actuarial liability is \$44,017, and the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$1,102,498, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 4%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Based on the historical and expected returns of the Village's short-term investment portfolio, a discount rate of 4.00% was used. An inflation rate of 3.00% was assumed. In addition, the Entry Age Normal actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at September 30, 2015 was 25 years. Health insurance trends start at 7.5% for the fiscal year ending in 2015, grading down to 5% at the ultimate trend rate by 2020.

11. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village has joined with other municipalities in the State participating in the Florida League of Cities Municipal Self Insurance Program, (the Program) a public entity risk pool currently operating as a common risk management and insurance program. The inter-local agreement with the Florida League of Cities Municipal Self Insurance Program provides that the Program will be self-sustaining through member premiums and will reinsure through commercial companies. During the past three years, the Village has not incurred any significant claims nor have there been any significant reductions in coverage.

12. CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Village. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Lawsuits

The Village is a defendant in various suits and claims incidental to its operations. The ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the Village's attorney that the Village has sufficient insurance coverage to cover any claims or liabilities, which may arise from such action and the resolution of the matter, will not have a material adverse effect on the financial condition of the Village.

13. COMMITMENTS

On October 24, 2014 and on November 6, 2014, the Village entered into three separate Professional Services Agreements with three-year terms each for the performance of building inspection and review services to be provided to the Village. The agreements may be renewed for three periods of one year each at the end of the initial term. Under the terms of the agreement, the Village shall pay the contractors a monthly fee equal to sixty-five percent of all permit fees collected by the Village. The balance of the permit fee collected by the Village and not paid to the Contractor shall be retained by the Village. The agreements may be terminated by either party for cause or upon such notice as the Village Manager deems appropriate under the circumstances in the event the Village Manager determines that termination is necessary to protect the public health, safety, or welfare of the Village. The charge to operations of the general fund under these Agreements is \$104,881 for the year ended September 30, 2015.

On June 2, 2014, the Village entered into an agreement with Waste Pro of Florida, Inc. for solid waste and recycling collection services to be provided to the Village. The initial term of the agreement is five years, and the term may be extended for up to two additional five year terms. The terms of the agreement grant Waste Pro exclusive franchise and the sole obligation to operate and maintain comprehensive garbage, trash and other refuse collection including roll-off and removal system and service as well as recycling collection systems for residential customers in and for the Village. In exchange, Waste Pro agrees to pay the Village an 11% franchise fee, which shall be adjusted on October 1, 2016 and each subsequent year based on Consumer Price Index changes and the Fuel Index as specified in the agreement. The total rate increase in a given year shall be capped at 5%. Waste pro will also share 20% of recycling rebates derived from the sale of recyclables with the Village.

14. DEFICIT IN FUNDS BALANCE

At September 30, 2015 the Capital Improvement Fund had a deficit fund balance of \$106,159 and the Police Forfeiture Fund had a deficit of \$9,879. The Village expects to fund these deficits with transfers from the General Fund in subsequent years.

15. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, the Village made a prior period adjustment due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the restatement of the September 30, 2014 net position of Governmental Activities and Business-Type Activities.

<u>Government-wide financial statements</u>			
	Governmental <u>activities</u>	Business-type <u>activities</u>	Total
Net position, September 30, 2014, as previously reported	\$ 2,282,458	\$ 21,759	\$ 2,304,217
Cumulative effect of adoption of GASB No. 68	<u>(1,267,110)</u>	<u>-</u>	<u>(1,267,110)</u>
Net position, September 30, 2014, as restated	<u>\$ 1,015,348</u>	<u>\$ 21,759</u>	<u>\$ 1,037,107</u>



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REQUIRED SUPPLEMENTARY INFORMATION



BUDGETARY SCHEDULES

VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 1,331,461	\$ 1,331,461	\$ 1,365,615	\$ 34,154
Franchise fees	161,283	161,283	152,436	(8,847)
Utility taxes	289,962	289,962	290,833	871
Charges for services	147,016	147,016	28,083	(118,933)
Intergovernmental	291,458	303,364	321,756	18,392
Licenses and permits	-	-	214,339	214,339
Fines and forfeitures	41,600	41,600	97,013	55,413
Interest	-	-	214	214
Miscellaneous	131,601	119,695	149,631	29,936
Total revenues	<u>2,394,381</u>	<u>2,394,381</u>	<u>2,619,920</u>	<u>225,539</u>
EXPENDITURES:				
Current:				
General government				
Village Commission	23,718	23,718	21,387	2,331
Administration	206,082	206,082	242,006	(35,924)
Finance	147,326	147,326	155,354	(8,028)
Non-departmental	410,780	410,781	424,770	(13,989)
Public safety	1,081,852	1,081,852	1,003,492	78,360
Building and code enforcement	213,243	213,243	252,154	(38,911)
Physical environment	207,626	207,626	199,599	8,027
Culture and recreation	167,484	167,483	158,985	8,498
Debt service:				
Principal	-	-	14,269	(14,269)
Interest	-	-	2,812	(2,812)
Total expenditures	<u>2,458,111</u>	<u>2,458,111</u>	<u>2,474,828</u>	<u>(16,717)</u>
(Deficiency) excess of revenues				
(under) over expenditures	<u>(63,730)</u>	<u>(63,730)</u>	<u>145,092</u>	<u>208,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	98,730	98,730	95,381	(3,349)
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(88,434)</u>	<u>(53,434)</u>
Total other financing (uses)	<u>63,730</u>	<u>63,730</u>	<u>6,947</u>	<u>(56,783)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>152,039</u>	<u>\$ 152,039</u>
Fund balance, beginning			<u>632,993</u>	
Fund balance, ending			<u>\$ 785,032</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

CITT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 88,075	\$ 88,075	\$ 102,296	\$ 14,221
Interest	-	-	-	-
Total revenues	<u>88,075</u>	<u>88,075</u>	<u>102,296</u>	<u>14,221</u>
EXPENDITURES:				
Current:				
Physical environment	<u>88,075</u>	<u>88,075</u>	<u>26,796</u>	<u>61,279</u>
Total expenditures	<u>88,075</u>	<u>88,075</u>	<u>26,796</u>	<u>61,279</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>75,500</u>	<u>75,500</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>75,500</u>	<u>\$ 75,500</u>
Fund balance, beginning			<u>160,657</u>	
Fund balance, ending			<u>\$ 236,157</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2015

1. Annual budgets are adopted for all of the Village's governmental funds and the enterprise fund on a basis consistent with generally accepted accounting principles. Annual appropriations lapse at fiscal year-end.
2. The Village follows the State of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements. The budget process is as follows:
 - a. The Village Manager prepares a budget showing the cost of each department for each budget year. Prior to the Commission's first public hearing on the proposed budget required by state law, the Village Manager issues a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department, the purposes therefore, and the amount of any contingency and carryover funds. The Commission shall by ordinance adopt the annual budget on or before the last day of September.
 - b. *Supplemental appropriations.* If, during any fiscal year, revenues in excess of those estimated in the annual budget are available for appropriation, the Commission may by ordinance make supplemental appropriations for the fiscal year up to the amount of such excess.
 - c. *Reduction of appropriations.* If, at any time during the fiscal year, it appears probable to the Village Manager that the revenues available will be insufficient to meet the amounts appropriated, she/he shall report to the Commission in writing without delay, indicating the estimated amount of the deficit, and his/her recommendations as to the remedial action to be taken. The Village Commission shall then take such action, as it deems appropriate, to prevent any deficit spending not covered by adequate unappropriated financial resources including reserves.
 - d. The Village's department heads recommend transfers of appropriations within a department with approval of the Village Manager and Finance Director.
 - e. Transfers of appropriations between departments require the additional approval of the Commission. The legal level of budgetary control (i.e. the level at which expenditures may not exceed appropriations) is the department level for the general fund and the fund level for all other funds.
3. During the fiscal year, the Village Commission approved by ordinance several budget changes on the department level.

4. Expenditures exceeded the budget in the General Fund for the fiscal year ended September 30, 2015 for the following department level, which is the legally controlled level of appropriations:

<u>General Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Amount in Excess of Final Budget</u>
Administration	\$ 206,082	\$ 242,006	\$ (35,924)
Finance	147,326	155,354	(8,028)
Building and Code Enforcement	213,243	252,154	(38,911)
Non-departmental	410,781	424,770	(13,989)
Debt service	-	17,081	(17,081)

The excess expenditure in the departments listed above had several causes. Specifically, Administration increased when the lowest paid staff wages were increased to fall within the Miami Dade Living Wage, and the associated FICA increased also. In Finance, salaries increased and bank service charges increased by \$6,000. In the building department, permits issued increased from 351 in 2014 to 567 in 2015 and inspector fees increased accordingly. For non-departmental, an increase of \$12,000 was due to an old workers compensation claim and office supplies increased by \$1,600. Debt service was increased by the initial costs and accrual of first payment of interest and principal for the \$350,000 loan for the completion of the Log Cabin renovation.



FLORIDA RETIREMENT SYSTEM

VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
SEPTEMBER 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL Entry Age (b)	Unfunded (AAL) (UAAL) (b-a)	Funde d Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll (b-a)/c
9/30/13	\$ -	\$ 44,017	\$ 44,017	0%	\$ 1,102,498	4%
9/30/10	\$ -	\$ 57,840	\$ 57,840	0%	\$ 1,147,141	5%

Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2013	\$ 7,252	\$ -	0%	\$ 41,968
09/30/2014	\$ 7,615	\$ -	0%	\$ 49,583
09/30/2015	\$ 7,615	\$ -	0%	\$ 57,198

VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM (FRS)

	(in thousands)	
	FRS	HIS
Total Pension Liability	\$ 161,370,735	\$ 10,249,201
Plan Fiduciary Net Position	<u>(148,454,394)</u>	<u>(50,774)</u>
Net Pension Liability	<u>\$ 12,916,341</u>	<u>\$ 10,198,427</u>
Plan Fiduciary Net Position as Percentage of Total Pension Liability	92%	0.50%
Village of Biscayne Park, Florida:		
Share of net pension liability as a percentage	0.005796350%	0.004124158%
Share of net pension liability as an amount	\$ 748,676	\$ 420,599
Covered-employee payroll	\$ 1,232,576	\$ 1,232,576
Village's share net pension liability as a percentage of covered-employee payroll	61%	34%

NOTES TO THE SCHEDULE

Assumptions:

1. The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2014, using the entry age normal actuarial cost method.
2. Inflation increases for both plans is assumed at 2.60%.
3. Payroll growth for both plans is assumed at 3.25%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%.
5. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.
6. The municipal bond rate (the Bond Buyer General Obligation 20-year Bond Municipal Bond Index) was used to determine total pension liability for HIS is 4.29%.

Benefit Types:

1. FRS Pension Plan's retirees receive a lifetime pension benefit with joint and survivor payment options.
2. HIS Program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS Payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM (FRS) PENSION SCHEDULE
SCHEDULE OF CONTRIBUTIONS

	2015
Contractually required contribution	\$ 205,916
Contributions in relation to the contractually required contribution	205,916
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee payroll	 \$ 1,232,576
Contribution as a percentage of covered-employee payroll	17%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



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COMBINING STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Fund - <u>Road Fund</u>	Special Revenue Fund - Police Forfeiture <u>Fund</u>	Debt Service <u>Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 13,175	\$ 35,895	\$ 13,500	\$ 62,570
Accounts receivable - net	1,062	-	-	1,062
Due from other funds	<u>157,976</u>	<u>-</u>	<u>-</u>	<u>157,976</u>
Total assets	<u>\$ 172,213</u>	<u>\$ 35,895</u>	<u>\$ 13,500</u>	<u>\$ 221,608</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 438	\$ 647	\$ -	\$ 1,085
Due to other funds	<u>-</u>	<u>45,127</u>	<u>-</u>	<u>45,127</u>
Total liabilities	<u>438</u>	<u>45,774</u>	<u>-</u>	<u>46,212</u>
Fund balance:				
Restricted for:				
Transportation	171,775	-	-	171,775
Debt service	-	-	13,500	13,500
Unassigned	<u>-</u>	<u>(9,879)</u>	<u>-</u>	<u>(9,879)</u>
Total fund balance	<u>171,775</u>	<u>(9,879)</u>	<u>13,500</u>	<u>175,396</u>
Total liabilities and fund balances	<u>\$ 172,213</u>	<u>\$ 35,895</u>	<u>\$ 13,500</u>	<u>\$ 221,608</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Fund - <u>Road Fund</u>	Special Revenue Fund - <u>Police Forfeiture Fund</u>	Debt Service <u>Fund</u>	<u>Total</u>
REVENUES:				
Utility taxes	\$ 76,677	\$ -	\$ -	\$ 76,677
Intergovernmental	24,059	-	-	24,059
Fines and forfeitures	-	-	-	-
Miscellaneous	31,774	2	-	31,776
Total revenues	<u>132,510</u>	<u>2</u>	<u>-</u>	<u>132,512</u>
EXPENDITURES:				
Current:				
General government	-	97	-	97
Public safety	-	5,291	-	5,291
Physical environment	132,577	4,515	-	137,092
Debt service:				
Principal	10,071	-	-	10,071
Interest	1,479	-	-	1,479
Total expenditures	<u>144,127</u>	<u>9,903</u>	<u>-</u>	<u>154,030</u>
Excess (deficiency) of revenues over expenditures	<u>(11,617)</u>	<u>(9,901)</u>	<u>-</u>	<u>(21,518)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	13,500	13,500
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	13,500	13,500
Net change in fund balances	(11,617)	(9,901)	13,500	(8,018)
Fund balance, beginning	<u>183,392</u>	<u>22</u>	<u>-</u>	<u>183,414</u>
Fund balance (deficit), ending	<u>\$ 171,775</u>	<u>\$ (9,879)</u>	<u>\$ 13,500</u>	<u>\$ 175,396</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUND
POLICE FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
REVENUES:				
Fines and forfeitures	\$ 500	\$ 500	\$ -	\$ (500)
Interest	-	-	2	2
Total revenues	500	500	2	(498)
EXPENDITURES:				
Current:				
Finance	-	25	97	(72)
Public safety	500	475	9,806	(9,331)
Total expenditures	500	500	9,903	(9,403)
(Deficiency) of revenues (under) expenditures	-	-	(9,901)	(9,901)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	\$ -	\$ -	(9,901)	\$ (9,901)
Fund balance (deficit), beginning			22	
Fund balance, ending			\$ (9,879)	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GOVERNMENTAL FUND
ROAD FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
REVENUES:				
Gas taxes	\$ 77,405	\$ 77,405	\$ 76,677	\$ (728)
Intergovernmental	25,326	25,326	24,059	(1,267)
Administrative Fees	<u>22,609</u>	<u>22,609</u>	<u>31,774</u>	<u>9,165</u>
Total revenues	<u>125,340</u>	<u>125,340</u>	<u>132,510</u>	<u>7,170</u>
EXPENDITURES:				
Current:				
Physical environment	<u>135,340</u>	<u>135,340</u>	<u>132,577</u>	<u>2,763</u>
Debt service:				
Principal	-	-	10,071	(10,071)
Interest	<u>-</u>	<u>-</u>	<u>1,479</u>	<u>(1,479)</u>
Total expenditures	<u>135,340</u>	<u>135,340</u>	<u>144,127</u>	<u>(8,787)</u>
Excess of revenues over expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(11,617)</u>	<u>(1,617)</u>
OTHER FINANCING SOURCES USES				
Transfers in	10,000	10,000	-	(10,000)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(11,617)</u>	<u>(11,617)</u>
Fund balance, beginning			<u>183,392</u>	
Fund balance, ending			<u>\$ 171,775</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 1,040,000	\$ 1,100,000	\$ 1,000,000	\$ (100,000)
Total revenues	<u>1,040,000</u>	<u>1,100,000</u>	<u>1,000,000</u>	<u>(100,000)</u>
EXPENDITURES:				
Current:				
Physical environment	<u>1,040,000</u>	<u>1,150,000</u>	<u>1,531,093</u>	<u>\$ 381,093</u>
Total expenditures	<u>1,040,000</u>	<u>1,150,000</u>	<u>1,531,093</u>	<u>381,093</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>(50,000)</u>	<u>(531,093)</u>	<u>281,093</u>
OTHER FINANCING SOURCES				
Proceeds from issuance of debt			350,000	
Transfers in	<u>25,000</u>	<u>50,000</u>	<u>74,934</u>	<u>24,934</u>
Total other financing sources	<u>25,000</u>	<u>50,000</u>	<u>424,934</u>	<u>24,934</u>
Net change in fund balances	<u>\$ 25,000</u>	<u>\$ -</u>	<u>(106,159)</u>	<u>\$ 306,027</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ (106,159)</u>	



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STATISTICAL SECTION

**VILLAGE OF BISCAYNE PARK, FLORIDA
STATISTICAL SECTION**

This part of the Village of Biscayne Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.

69-72

Debt Capacity

These schedules contain information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in future.

73-74

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

75-76

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

VILLAGE OF BISCAYNE PARK, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 511,655	\$ 880,881	\$ 876,032	\$ 912,666	\$ 1,384,778	\$ 1,576,502	\$ 1,722,569	\$ 1,603,646	\$ 1,454,593	\$ 2,477,472
Restricted	318,153	220,838	154,152	167,307	141,554	89,944	156,580	254,977	344,071	407,932
Unrestricted	799,622	910,925	919,134	823,927	737,603	405,672	320,960	375,830	483,794	(681,255)
Total governmental activities net assets	\$ 1,629,630	\$ 2,012,644	\$ 1,949,318	\$ 1,903,900	\$ 2,263,935	\$ 2,074,118	\$ 2,200,109	\$ 2,234,453	\$ 2,282,458	\$ 2,204,149
Business-Type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 40,797	\$ 48,022	\$ 61,403	\$ 65,070	\$ 52,553	\$ 37,889	\$ 22,989	\$ -
Restricted	-	-	-	-	-	68,957	(9,823)	(14,104)	(1,230)	-
Total business type activities net assets	\$ -	\$ -	\$ (21,798)	\$ (11,019)	\$ 43,976	\$ 134,027	\$ (9,823)	\$ 23,785	\$ (1,230)	\$ 8,265
Primary government										
Invested in capital assets, net of related debt	\$ 511,655	\$ 880,881	\$ 916,829	\$ 960,688	\$ 1,446,181	\$ 1,643,572	\$ 1,775,122	\$ 1,641,535	\$ 1,477,582	\$ 2,477,472
Restricted	318,153	220,838	154,152	167,307	141,554	89,944	156,580	254,977	344,071	407,932
Unrestricted	799,622	910,925	897,336	812,908	781,579	474,629	311,037	361,726	482,564	(672,990)
Total primary governmental activities net assets	\$ 1,629,630	\$ 2,012,644	\$ 1,968,317	\$ 1,940,903	\$ 2,369,314	\$ 2,208,145	\$ 2,242,739	\$ 2,258,238	\$ 2,304,217	\$ 2,212,414

VILLAGE OF BISCAYNE PARK, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2008	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental activities										
General government	\$ 644,968	\$ 677,103	\$ 692,448	\$ 687,230	\$ 673,004	\$ 577,793	\$ 568,779	\$ 643,734	\$ 750,089	\$ 995,956
Public safety	945,575	1,329,857	1,366,023	1,404,364	1,207,542	1,180,204	1,072,924	1,250,941	1,266,155	1,223,924
Physical environment								491,336	371,460	373,669
Building and Code Enforcement	146,332	195,318	193,110	178,535	180,355	141,647	164,103	-	-	-
Public works	2,189,251	1,262,831	566,017	454,919	459,016	538,098	489,352	-	-	-
Culture and recreation	316,284	293,470	298,812	186,011	108,774	135,283	138,429	184,150	176,799	163,468
Interest on long-term debt	2,567	3,683	2,772	4,872	5,770	4,723	1,823	-	-	-
Total governmental activities	\$ 4,244,877	\$ 3,762,262	\$ 3,119,182	\$ 2,915,831	\$ 2,634,481	\$ 2,587,748	\$ 2,455,420	\$ 2,570,161	\$ 2,965,974	\$ 2,761,308
Business-type activities										
Sanitation	-	-	690,416	687,885	660,071	670,655	758,357	740,041	734,942	594,757
Total primary government expenses	\$ 4,244,877	\$ 3,762,262	\$ 3,809,598	\$ 3,603,816	\$ 3,294,532	\$ 3,258,403	\$ 3,213,777	\$ 3,310,202	\$ 3,300,916	\$ 3,346,065
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	\$ 6,372	\$ 6,023	\$ 4,358	\$ 3,765	\$ 5,501	\$ 57,794	\$ 163,592	\$ 148,729	\$ 76,750	\$ 44,958
Public safety	180,017	316,889	282,645	283,957	247,975	146,857	46,550	21,683	201,512	311,352
Physical environment	559,007	638,872	-	50,000	50,000	208,040	138,516	7,960	-	-
Culture and recreation	155,696	146,219	98,632	43,284	22,857	23,776	33,084	24,767	23,485	28,083
Operating grants and contributions	1,181,810	323,635	39,367	166,455	407,380	184,650	180,060	11,967	-	-
Total governmental activities program revenues	\$ 2,082,802	\$ 1,431,338	\$ 396,002	\$ 547,461	\$ 733,713	\$ 621,117	\$ 562,812	\$ 216,105	\$ 301,747	\$ 384,393
Business-type activities										
Sanitation	-	-	702,519	705,889	728,447	699,303	666,960	721,186	732,918	604,462
Total primary government net expenses	\$ (2,162,175)	\$ (2,330,924)	\$ (2,723,180)	\$ (2,368,470)	\$ (1,900,748)	\$ (1,966,631)	\$ (1,892,608)	\$ (2,354,055)	\$ (2,264,227)	\$ (2,376,915)
Business-type activities										
Transfers			12,103	18,004	68,376	28,648	(81,397)	(18,845)	(2,068)	19,702
Total primary government net expenses	\$ (2,162,175)	\$ (2,330,924)	\$ (2,111,077)	\$ (2,350,466)	\$ (1,832,372)	\$ (1,937,983)	\$ (1,864,005)	\$ (2,372,900)	\$ (2,266,235)	\$ (2,357,210)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 1,289,887	\$ 1,707,948	\$ 1,692,975	\$ 1,568,450	\$ 1,399,864	\$ 1,138,854	\$ 1,129,241	\$ 1,187,503	\$ 1,225,312	\$ 1,365,615
Utility taxes	228,549	225,643	273,866	244,258	235,360	271,317	230,045	176,882	384,581	367,510
Franchise fees on gross receipts	122,750	125,523	115,666	115,272	122,595	122,163	111,647	113,685	124,651	152,436
Intergovernmental (unrestricted)	610,060	530,968	544,248	363,507	442,373	243,385	483,602	393,998	470,224	1,448,111
Investment income	62,219	65,388	24,048	7,853	8,962	1,115	6,674	231,036	107,464	136,663
Miscellaneous	11,119	58,468	15,927	23,712	36,728	-	-	-	-	95,381
Transfers										
Total governmental activities	\$ 2,324,584	\$ 2,713,938	\$ 2,666,750	\$ 2,323,052	\$ 2,260,783	\$ 1,776,814	\$ 2,018,589	\$ 2,302,114	\$ 2,312,232	\$ 3,565,716
Business-type activities										
Investment income										
Transfers										
Total business-type activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Assets										
Governmental activities	\$ 162,409	\$ 383,014	\$ (56,430)	\$ (45,418)	\$ 360,035	\$ (189,817)	\$ 125,991	\$ (51,941)	\$ 48,005	\$ 1,188,801
Business-type activities										
Transfers			12,103	18,004	68,376	28,648	(81,397)	(18,845)	(2,068)	19,702
Total primary government	\$ 162,409	\$ 383,014	\$ (44,327)	\$ (27,414)	\$ 428,411	\$ (161,169)	\$ 34,594	\$ (103,985)	\$ 45,939	\$ 1,175,307

VILLAGE OF BISCAWAYNE PARK, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year	Ad-Valorem Taxes General Purpose	Local Option Gas Tax	2nd Local Option Gas Tax	People's Transportation Tax	State Revenue Sharing Tax	Half Cent Sales tax	Franchise Taxes	Utility Taxes	Total
2006	1,289,887	67,710	25,153	134,276	106,338	252,074	122,750	228,549	2,226,737
2007	1,707,948	61,210	23,124	121,133	102,909	220,632	125,523	225,643	2,588,122
2008	1,692,975	59,648	23,251	104,862	103,170	210,944	115,686	273,866	2,584,402
2009	1,568,450	55,918	21,827	97,255	79,150	189,114	115,272	244,258	2,371,244
2010	1,399,864	54,436	20,671	97,948	85,446	178,987	120,595	255,360	2,213,307
2011	1,138,854	56,591	22,060	100,460	86,480	195,951	122,163	271,317	1,993,876
2012	1,129,241	54,194	20,888	104,231	68,290	198,372	111,947	290,045	1,977,208
2013	1,187,503	55,242	20,897	93,180	58,492	210,625	112,685	300,752	2,039,376
2014	1,225,312	54,142	21,400	112,631	58,492	221,620	124,651	309,039	2,127,287
2015	1,365,615	56,712	19,965	82,442	74,422	234,219	152,436	367,510	2,353,321

VILLAGE OF BISCAYNE PARK, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> (1)	<u>2012</u> (1)	<u>2013</u> (1)	<u>2014</u> (1)	<u>2015</u> (1)
General fund										
Reserved	\$ 210,159	\$ 224,013	\$ 188,350	\$ 181,485	\$ 124,423	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	680,541	771,220	831,098	711,863	726,319	-	-	-	-	-
Nonspendable	-	-	-	-	-	108,415	58,167	124,742	77,050	54,119
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	113,531	-	-	-	-
Unassigned	-	-	-	-	-	369,798	478,911	407,685	555,943	730,913
Total general fund	\$ 890,700	\$ 995,233	\$ 1,019,448	\$ 893,348	\$ 850,742	\$ 591,744	\$ 537,078	\$ 532,427	\$ 632,993	\$ 785,032
All other governmental funds										
Reserved	\$ 318,153	\$ 220,838	\$ 154,152	\$ 167,307	\$ 125,032	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	46,720	-	-	-	-
Restricted	-	-	-	-	-	69,560	156,580	254,977	344,071	421,432
Assigned	-	-	-	-	-	15,709	-	-	-	-
Unassigned	-	-	-	-	-	(95,207)	(67,544)	(4,000)	-	(116,038)
Total all other governmental funds	\$ 318,153	\$ 220,838	\$ 154,152	\$ 167,307	\$ 125,032	\$ 36,782	\$ 89,036	\$ 250,977	\$ 344,071	\$ 305,394

(1) GASB Statement No. 54 changes in fund balances information presented in this section were limited to fiscal year 2011. Fund balances prior to fiscal year 2011 were not reclassified because this was deemed impractical. The nature of the difference between the fiscal year 2011 and all prior years relates to fund balances for the years prior to fiscal year 2011 not being reclassified to GASB Statement No. 54 fund classifications. For additional information on fund balance classification, see Note 1 d.10.

VILLAGE OF BISCAYNE PARK, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes and franchise fees	\$ 1,412,637	\$ 1,833,471	\$ 1,808,661	\$ 1,683,722	\$ 1,520,459	\$ 1,261,017	\$ 1,241,188	\$ 1,300,188	\$ 1,349,963	\$ 1,518,051
Charges for services	720,075	791,114	103,990	97,049	78,358	207,083	219,057	174,496	23,485	28,083
Utility taxes	228,549	225,643	273,866	244,258	255,360	271,317	290,045	376,892	384,581	367,510
Intergovernmental	1,791,870	854,603	583,615	529,962	849,753	529,715	632,752	413,925	470,224	1,448,111
Licenses and permits	122,988	177,539	148,170	118,324	128,982	107,539	139,516	182,155	119,759	214,339
Fines and forfeitures	57,929	139,050	104,475	165,633	118,993	26,291	46,550	75,543	81,757	97,013
Interest	62,219	65,388	24,048	7,853	5,862	3,430	1,538	314	369	214
Grants										
Miscellaneous	11,119	58,468	15,927	23,712	36,729	5,685	853	80,993	183,841	181,407
Total revenues	<u>4,407,386</u>	<u>4,145,276</u>	<u>3,062,752</u>	<u>2,870,513</u>	<u>2,994,496</u>	<u>2,412,077</u>	<u>2,571,499</u>	<u>2,604,506</u>	<u>2,613,979</u>	<u>3,854,728</u>
EXPENDITURES										
Current:										
General government	623,866	657,669	667,210	687,901	657,313	581,597	768,214	644,543	653,900	2,416,707
Public safety	1,064,035	1,502,846	1,516,388	1,538,248	1,340,867	1,286,063	1,190,818	1,239,268	1,319,767	1,218,937
Public works	2,132,671	1,178,395	502,128	392,136	374,432	481,449	387,601	439,177	353,196	363,487
Culture and recreation	264,651	242,839	250,619	184,846	95,605	106,807	108,690	150,772	153,652	158,985
Debt service:										
Principal retirement	30,163	49,951	9,319	33,526	53,856	67,433	22,355	-	7,233	24,340
Interest and fiscal charges	2,567	3,683	2,772	4,872	5,770	4,725	1,823	-	1,471	4,291
Capital outlay:										
General government	64,259	689,693	156,786	270,739	551,534	231,251	94,410	-	-	-
Total expenditures	<u>4,182,212</u>	<u>4,325,076</u>	<u>3,105,222</u>	<u>3,112,268</u>	<u>3,079,377</u>	<u>2,759,325</u>	<u>2,573,911</u>	<u>2,473,760</u>	<u>2,489,219</u>	<u>4,186,747</u>
Excess(deficiency) of revenues over expenditures	225,174	(179,800)	(42,470)	(241,755)	(84,881)	(347,248)	(2,412)	130,746	124,760	(332,019)
Other financing (uses) sources:										
Transfers in	154,245	-	86,667	-	-	170,000	170,653	67,544	39,560	183,815
Transfers out	(154,245)	-	(86,667)	-	-	(170,000)	(170,653)	(67,554)	(39,560)	(88,434)
Proceeds from capital lease	-	187,012	-	128,810	-	-	-	26,554	68,900	350,000
Total other financing sources	-	<u>187,012</u>	<u>-</u>	<u>128,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,544</u>	<u>68,900</u>	<u>445,381</u>
Net change in fund balances	<u>\$ 225,174</u>	<u>\$ 7,212</u>	<u>\$ (42,470)</u>	<u>\$ (112,945)</u>	<u>\$ (84,881)</u>	<u>\$ (347,248)</u>	<u>\$ (2,412)</u>	<u>\$ 157,290</u>	<u>\$ 193,660</u>	<u>\$ 113,362</u>
Debt service as a percentage of noncapital expenditures	0.8%	1.5%	0.4%	1.4%	2.4%	2.9%	1.0%	0.0%	0.40%	0.7%

VILLAGE OF BISCAYNE PARK, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net assessed Value as a Percentage of Estimated Actual Value (1)
2006	155,647,938	2,124,806	157,772,744	8.200	366,933,528	43.00%
2007	191,151,456	2,228,951	193,380,407	9.200	401,124,516	48.21%
2008	208,024,116	2,587,452	210,611,568	8.340	401,124,516	52.51%
2009	175,588,028	2,507,495	178,095,523	8.890	347,136,428	51.30%
2010	166,107,320	2,514,600	168,621,920	8.933	332,752,428	50.67%
2011	127,665,858	2,589,894	130,255,752	8.900	297,352,428	43.81%
2012	126,499,102	2,758,550	129,257,652	8.900	209,908,989	60.23%
2013	126,924,386	3,006,820	129,931,206	9.500	228,800,798	56.79%
2014	129,884,012	2,905,617	132,789,629	9.700	202,416,237	65.60%
2015	141,306,841	2,895,151	144,201,992	9.700	350,137,662	41.18%

Note: Property in the Village is reassessed each year at actual value. Tax rates are \$1,000 of assessed value.

(1) Includes tax-exempt property.

Sources: Miami-Dade County
Department of Property Appraisal -DR-420

VILLAGE OF BISCAYNE PARK, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS(1)
LAST TEN FISCAL YEARS

Fiscal Year	Village of Biscayne Park	Overlapping Rates						Total Direct & Overlapping Rates
		County			Special Districts			
		County Wide	Debt Service	County Fire	Library	Schools	State*	
2006	8.5000	6.2638	0.2850	2.6610	-	8.4380	0.7355	26.8833
2007	9.2000	6.0373	0.2850	2.6510	-	8.1050	0.7355	27.0138
2008	8.3400	5.0019	0.2850	2.2477	-	7.9480	0.6585	24.4811
2009	8.8903	5.2945	0.2850	2.2487	-	7.7970	0.6585	25.1740
2010	8.9933	5.3370	0.2850	2.2271	-	7.9950	0.6585	25.4959
2011	8.9000	5.9275	0.2850	2.5953	-	8.2490	0.6585	26.6153
2012	8.9000	4.8050	0.2850	2.4627	-	8.0050	0.9708	25.4285
2013	9.5000	4.7035	0.2850	2.4627	-	7.9980	0.9634	25.9126
2014	9.7000	4.6669	0.4500	2.4321	-	7.9740	0.9147	26.1377
2015	9.7000	4.6669	0.4500	2.4293	-	7.9740	0.4187	25.6389

(1) Overlapping rates are those of local and county governments that apply to property owners within the Village of Biscayne Park

Additional information:

Property tax rates are assessed per \$1,000 of Taxable Assessed Valuation

Tax rate limits:

Village	10.000 Mills
County	10.000 Mills
School	10.000 Mills
State	1.000 Mills

Source: Miami-Dade County
Department of Property Appraisal

* State Rate include South Florida Water Management District, Environmental Projects, Okeechobee Basin, and the Florida Inland Navigation District (FIND)

Source: Miami-Dade County Comprehensive Annual Financial Report 2015

VILLAGE OF BISCAYNE PARK, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)

2015				2006(1)			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation ¹	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation
FLORIDA POWER & LIGHT COMPANY	\$ 2,139,589	1	1.5%				
MATTHEW KAMINSKY	\$ 713,099	2	0.5%				
2014-1 IH BORROWER L P	\$ 673,993	3	0.5%				
LUCIANA DAMON	\$ 582,122	4	0.4%				
ROBERT W SMITH &W BARBARA	\$ 565,953	5	0.4%				
FELIPE ALBERTO VILLAR TRS	\$ 552,867	6	0.4%				
ARTHUR J TORANO &W TRACY S	\$ 534,472	7	0.4%				
KAI A LERMEIN	\$ 533,493	8	0.4%				
MPMR HOLDINGS LLC	\$ 463,716	9	0.3%				
DAVID BERNARD	\$ 455,170	10	0.3%				
	<u>\$ 7,214,474</u>		<u>5.0%</u>		<u>\$ -</u>		<u>0.0%</u>

Sources: Miami-Dade County Tax Assessors' Office
2014 Final Assessment Roll for Fiscal Year 2014-15
Real/personal property adjusted taxable value of \$168,621,920
(1) 2006 information was unavailable

VILLAGE OF BISCAYNE PARK, FLORIDA

PROPERTY TAX LEVIES AND COLLECTION

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Total taxes Levied for Fiscal Year(1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years (N/A)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006	1,285,818	1,285,818	100.0%		1,285,818	100.0%
2007	1,762,030	1,707,948	96.9%		1,707,948	96.9%
2008	1,747,317	1,692,975	96.9%		1,692,975	96.9%
2009	1,583,323	1,568,450	99.1%		1,568,450	99.1%
2010	1,485,061	1,399,864	94.3%		1,399,864	94.3%
2011	1,182,565	1,138,854	96.3%		1,138,854	96.3%
2012	1,220,451	1,129,241	92.5%		1,129,241	92.5%
2013	1,182,602	1,187,503	100.4%		1,187,503	100.4%
2014	1,220,080	1,225,312	100.4%		1,225,312	100.4%
2015	1,394,438	1,365,615	97.9%		1,365,615	97.9%

Source: Miami Dade County Tax Collector's Office

(1) Florida Department of Revenue

Note: Total Adjusted Tax Levy is based on final assessed property values by Miami-Dade County Department of Property Appraisal office after the Property Appraisal Adjustment Board has completed hearings on the tax roll, and before discounts.

VILLAGE OF BISCAYNE PARK, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	<u>Capital Leases</u>	<u>Bank Loan</u>	<u>Capital Leases</u>			
2006	13,167	-	-	13,167	0.02%	4
2007	149,509	-	-	149,509	0.19%	45
2008	52,645	-	61,826	114,471	0.14%	34
2009	147,929	-	42,083	190,012	0.25%	57
2010	94,073	-	16,184	110,257	0.14%	33
2011	26,638	-	-	26,638	0.03%	9
2012	-	-	-	-	-	0
2013	26,544	-	33,387	59,931	0.06%	20
2014	88,211	-	25,371	113,942	0.12%	39
2015	63,871	350,000	-	413,871	0.41%	132

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 75 for the personal income and population data.

VILLAGE OF BISCAYNE PARK, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Amount Applicable to Biscayne Park</u>
Miami-Dade County Schools (2)	\$ 365,012,000	0.09%	\$ 338,008
Miami-Dade County (3)	<u>1,403,116,000</u>	0.09%	<u>1,299,311</u>
Subtotal overlapping debt	1,768,128,000		1,637,319
Village of Biscayne Park direct debt	<u>413,871</u>	100.00%	<u>413,871</u>
Total direct and overlapping debt	\$ 1,768,541,871		\$ 2,051,190

Sources: (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total taxable assessed value.

(2) Miami-Dade County Schools, General Finance Department

(3) Miami-Dade County, Finance Department (includes General Obligation, Special Obligation Bonds)

VILLAGE OF BISCAYNE PARK, FLORIDA**DEMOGRAPHIC AND ECONOMIC STATISTICS****LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income	Per capita Personal Income (2)	Unemployment rate (3)
2006	3,328	74,523,904	22,393	4.5
2007	3,328	77,539,072	23,299	4.1
2008	3,328	79,479,296	23,882	6.0
2009	3,328	76,577,280	23,010	11.3
2010	3,328	76,287,744	22,923	8.6
2011	3,055	78,134,680	25,576	8.4
2012	3,055	102,754,925	33,635	8.4
2013	3,055	100,688,604	38,860	8.4
2014	3,140	102,134,260	42,734	7.0
2015	3,134	101,870,670	32,505	6.0

Source: (1) www.miamidadesites.com

(2) <http://www.city-data.com/city/Biscayne-Park-Florida.html#ixzz4bdekdfPX>

(3) U.S. Bureau of Labor Statistics

VILLAGE OF BISCAYNE PARK, FLORIDA
PRINCIPAL EMPLOYERS LOCATED IN MIAMI-DADE COUNTY
CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	<u>2015</u>		Percentage of Total County <u>Employment</u>	<u>2006</u>		Percentage of Total County <u>Employment</u>
	<u>EMPLOYEES</u>	<u>RANK</u>		<u>EMPLOYEES</u>	<u>RANK</u>	
Miami-Dade County Public Schools	31,000	1	2.35%	50,000	1	4.31%
Miami-Dade County, Florida	24,692	2	1.87%	32,000	2	2.76%
Federal Government	19,300	3	1.46%	20,400	4	1.76%
Florida State Government	19,200	4	1.45%	17,000	3	1.47%
University of Miami	13,864	5	1.05%	9,874	7	0.85%
Baptist Health South Florida	13,369	6	1.01%	10,826	5	0.93%
American Airlines	11,773	7	0.89%	9,000	8	0.78%
Jackson Health System	8,163	8	0.62%	10,500	6	0.91%
Florida International University	4,951	9	0.37%	-		0.00%
City of Miami	3,820	10	0.29%	-		0.00%
Miami-Dade College	-		0.00%	3,500	9	0.56%
Precision Response Corporation	-		0.00%	6,000	10	0.52%
	<u>150,132</u>		<u>11.36%</u>	<u>169,100</u>		<u>14.85%</u>

Source: The Beacon Council

VILLAGE OF BISCAYNE PARK, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	3	2	2	3	3	3	4	4	5	5
Public safety										
Police	11	11	11	11	11	11	11	11	11	11
Officers	1	1	1	1	1	1	1	-	-	0.5
Civilians	1	1	1	1	1	1	1	1	1	1
Code enforcement	1	1	1	1	1	1	1	1	1	1
Building & Zoning	1	1	1	1	1	1	1	1	1	1
Recreation	2	2	2	1	1	1	1	2	1	2.5
Public Works	9	9	8	7	7	7	7	5	5	5
Sanitation	9	9	9	8	8	6	6	5	-	-
	<u>37</u>	<u>36</u>	<u>35</u>	<u>33</u>	<u>33</u>	<u>31</u>	<u>32</u>	<u>29</u>	<u>24</u>	<u>26</u>

Source: Village of Biscayne Park FY2014-15 Approved Annual Budget

VILLAGE OF BISCAWAYNE PARK, FLORIDA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Burglaries	63	60	32	28	46	28	22	19	30	19
Robberies	3	5	7	3	-	3	1	-	-	3
Number of uniformed officers	11	11	11	10	11	11	11	11	11	11
Building & Zoning										
Number of building permits issued	474	490	434	422	480	469	680	669	383	755
License/Permit revenue generated	\$ 97,876	\$ 140,533	\$ 107,626	\$ 100,522	\$ 116,530	\$ 98,318	\$ 127,583	\$ 182,155	\$ 96,753	\$ 214,339
Culture and recreation										
Children enrolled in programs	310	294	123	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation revenues collected	\$ 133,970	\$ 127,861	\$ 84,951	N/A	N/A	28,186	33,094	\$ 24,766	\$ 22,764	\$ 27,551
Sanitation:										
Refuse collected (tons per month)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Various Village departments

Note: Indicators are not available for the general government function.

N/A-information not available for these years

VILLAGE OF BISCAYNE PARK, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	15	15	15	12	12	12	12	12	14	14
General Government										
Administration Buildings	-	-	-	-	-	-	-	-	-	2
Administration Vehicles	-	-	-	-	-	-	-	-	-	1
Code Compliance Vehicles	-	-	-	-	-	-	-	-	-	1
Public works										
Streets (Miles-paved)	17	17	17	17	17	17	17	17	17	17
Vehicles										
Pick-up Trucks	-	-	-	-	-	-	-	-	-	2
Flat Bed Trucks	-	-	-	-	-	-	-	-	-	1
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	1	1
Racquetball courts	2	2	2	2	2	2	2	2	2	1
Baseball/Soccer fields	1	1	1	1	1	1	1	1	1	1
Basketball Court	1	1	1	1	1	1	1	1	1	1
Sanitation										
Number of collection trucks	2	2	2	2	2	2	2	2	2	-

Sources: Various Village departments

N/A : Information not available

Note: No capital asset indicators are available for the general government function.



COMPLIANCE SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 23, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. See item 2015-01.

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Biscayne Park, Florida's Response to Findings

Village of Biscayne Park, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Village of Biscayne Park, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
May 23, 2017



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MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village"), as of and for the year ended September 30, 2015, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 23, 2017.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in a accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 23, 2017, should be considered in conjunction with this management letter.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Village Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida
Page 2

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(i) as required by the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the basic financial statements of the Village, as described in the first paragraph, we report the following:

- I. **Current year findings and recommendations.**
- II. **Status of prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

We wish to thank the Village and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

GLSC & Company, PLLC

Miami, Florida
May 23, 2017

LETTER TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2015-01 Financial Accounting and Reporting

Condition:

Several instances of transactions that were not properly recorded in the general ledger were identified during the 2015 fiscal year audit. There was a lack of preparation of reconciliations of the account balances affected by the improperly recorded transactions, which resulted in misstatements in several account balances. The following errors were detected and corrected during the annual audit:

- 1) The accounts receivable balance was not properly stated primarily as a result of failure to record the correct amount of ad valorem tax revenue, utility tax revenue and grant revenue, which also resulted in a misstatement of revenue.
- 2) The cost and accumulated depreciation balances of fixed assets and related capital lease liability were not properly stated primarily as a result of failure to record disposals of fixed assets that occurred during the year. Depreciation expense was also recorded incorrectly due to the errors in the fixed asset balances.
- 3) There was a misclassification of capital expenses and construction in progress accounts and understatement of fixed assets due to failure to properly capture construction in progress expenditures in the fixed assets account.
- 4) Management failed to accrue interest on the loan payable as of September 30, 2015.
- 5) Accrued payroll and accrued compensated absences were not properly adjusted as of September 30, 2015.
- 6) We identified transactions that were not recorded in the proper fund during the year and were subsequently corrected during the audit process.
- 7) Subsidiary ledgers and supporting schedules for fixed assets, accounts payable and accounts receivable did not agree to the general ledger.

Cause:

Due to the turnover experienced during the year and the lack of personnel with governmental accounting knowledge within the accounting department, the Village was unable to maintain adequate books and records and did not have internal controls over financial reporting in place that would ensure the review of significant accounts and activity on a monthly basis in a manner that would prevent or detect a material misstatement in the financial statements.

**LETTER TO MANAGEMENT
(CONTINUED)**

CURRENT YEARS' FINDINGS AND RECOMMENDATIONS (CONTINUED)

2015-01 Financial Accounting and Reporting (continued)

Effect:

As a result of the errors detected in the account balances as summarized above, a significant amount of time and effort was spent by the Village personnel analyzing and adjusting the account balances. In addition, numerous adjusting entries were proposed and included as part of the audit process, which could have been minimized, had there been personnel with governmental accounting knowledge involved to ensure internal controls over financial reporting were implemented and followed during the year, including monthly analysis, review, and reconciliations of significant accounts and activities throughout the year.

Recommendation:

We recommend that the Village hire personnel with governmental accounting knowledge to oversee the accounting function of the Village and perform an in-depth review of the Village's internal controls over financial reporting and implement the necessary changes to prevent or detect material misstatements in the financial statements in a timely manner. We recommend detailed monthly analysis of all cash receipts and disbursements transactions to ensure accuracy of the accounts used. We recommend monthly preparation and review of financial statements in comparison with budget, and investigation of any unexpected variances which possibly could have resulted from incorrect postings of revenues and expenditures. We also recommend management to implement proper closing procedures to ensure all supporting schedules agree to the general ledger. These procedures should include timetables outlining appropriate due dates, sample formats and instructions for schedules to be prepared

Management Response:

The Village hired an in-house Finance Director in April 2015 to replace the consultant who was acting as Finance Director since 2013. Implementation of the internal controls recommended began in 2015. At the time of the preparation of this report, the Village has hired an accountant with considerable municipal experience to manage all finances and this comment should not be repeated.

II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS

2014-01 Cut off

Condition:	We noted during our audit that there is no consistency in the sequence of voucher checks used.
Criteria:	The issuance of checks should be done in sequential order to ensure accounting for all checks that were issued and proper cutoff procedures during the year and at year end.
Cause:	The check sequence used by the Village is not pre-numbered, an accounting employee assigns a check number upon each check run based on the last check used from the previous batch.
Effect:	Expenditures could be recorded in the wrong period due to lack of control over cutoff procedures.
Recommendation:	We recommend that the Village use pre-numbered checks.
Current Year Status:	The Village has implemented the use of pre-numbered checks. Comment will not be repeated.

2013-01 Cash Receipts

Condition:	We noted during our audit several instances where cash receipts were not deposited promptly.
Cause:	The Village implemented several internal control procedures during the year including the segregation of duties between cashiering, bookkeeping, and depositing of cash receipts, however, the personnel assigned to perform the depositing of cash receipts is a third party consultant who reports to Village only once or twice a week. As a result, a delay between collection and deposit of cash receipts ranging from three days to a week.
Effect:	Though weekly cash receipts are not a significant amount, the Village is exposed to potential loss either due to misplacement of checks or fraud scheme known as deposit lapping. In addition, the Village is missing the opportunity to earn interest on days that the funds are not deposited into the bank account.
Recommendation:	We recommend that the Village promptly deposit all cash receipts by the next business day.
Current Year Status:	The Village has implemented internal control procedures in order to promptly deposit all cash receipts. Comment will not be repeated.

**LETTER TO MANAGEMENT
(CONTINUED)**

II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS (CONTINUED)

2012-01 Sub-Contractors

Condition:	Our audit disclosed that the Village currently has no written formal contracts with any of its subcontractors performing permit inspections.
Cause:	It has been long standing practice of the Village that inspectors are subcontracted based on mutual agreement of both parties and did not require formal written contract.
Effect:	The Village may face potential exposure to liability for which sub-contractors may be deemed as employees in absence of a written agreement. The Village may also be named as a party to a lawsuit due to ambiguity of its relationship with its subcontractors or other potential issues related to unemployment compensation and payroll taxes.
Recommendation:	We recommend that the Village develop and enter into a formal contract with all its subcontractors detailing responsibilities of each party, compensation, and other key elements of a contract.
Current Year Status:	The Village has executed formal contracts with all contractors detailing responsibilities among all parties. This comment will not be repeated.

**LETTER TO MANAGEMENT
(CONTINUED)**

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

1. Unless otherwise required to be reported in the auditors' report on internal control over financial reporting and on compliance and other matters, the management letter shall include, but not be limited to a statement as to whether or not corrective actions have been taken to address significant findings and recommendations in the preceding annual financial audit report pursuant to Rule 10.554(1)(i)1. If the audit findings in the preceding financial audit report are uncorrected, the auditor must identify those that were also included in the second preceding fiscal audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.
2. The Village of Biscayne Park, Florida complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There was one significant finding and one recommendation to improve the Village's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2015, see items 2015-01.
4. There were no violations of provisions of contracts or grant agreements, or abuse that have occurred, or were likely to have occurred, that have an effect on the financial statement amounts that is less than material but which warrants the attention of those charged with governance.
5. The Village of Biscayne Park, Florida was incorporated in accordance with the laws of the State of Florida 16319 in 1933. The Village operates under a Commission / Village Manager form of government. The Village is financially independent as evidenced by the authority to make and approve its own budget, the power to tax, the authority to buy and sell property, and the authority to incur debt. The Village has one component unit that was not included in the financial statements due to the insignificance to the primary government.
6. The Village of Biscayne Park, Florida has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
7. The annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1) (a), Florida Statutes agrees with the September 30, 2015 financial audit report.
8. We applied financial condition assessment procedures pursuant to Rule 10.554(1)(i)5C and Rule 10.556 to assess the financial condition of the Village. We noted indicators of deteriorating financial conditions such as deficit in fund balances in certain governmental funds, expenditures in excess of appropriation in the general fund, a taxable mileage rate of 9.7 mills, and a deficit in unrestricted net position for governmental activities of over \$681,255. It is management's responsibility to monitor the Village's financial condition and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same. The fiscal year ended September 30, 2015 financial condition assessment indicated unfavorable results.





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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT
TO SECTION 218.415 FLORIDA STATUTES**

Honorable Mayor, Village Commission and Village Manager
Village of Biscayne Park, Florida

We have examined the Village of Biscayne Park's (the "Village") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2015. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

Miami, Florida
May 23, 2017



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